THE WORLD'S FIRST AIR CARGO MAGAZINE — NOW IN ITS 18th YEAR

AIR TRANSPORTATION

JANUARY • 1960 The Air Magazine for The Modern Shipper Vol. 36 No. 1

IN THIS ISSUE . . .

JET CARGO

DOUBLE CARGO SPEED! TRIPLE CARGO SPACE! Now Air France Boeing 707 Intercontinental Jet revolutionizes Air France's cargo service to Europe. It's the world's fastest, largest, longest-range jetliner. And it means you can speed cargo consignments to Paris in only 6½ hours non-stop daily from New York*...*twice as fast as before!* The Intercontinental has *triple the cargo space, too!* The 1700-cubic-foot cargo holds take over 4 tons of cargo—extra-large loading doors accommodate at least 75% more shipments of various sizes and shapes. Shipments receive immediate attention at Orly from special cargo crews. Specify your next consignment "Jet Cargo" on the world's largest airline. Air France speeds cargo to more cities in more countries than any other airline.

**Service begins at the end of January.*

AIR FRANCE

WORLD'S FASTEST JETLINER / WORLD'S LARGEST AIRLINE

In short...

ON THE HORIZON is facsimile first-class mail by a revolutionary electronic-eye scanning device which will transmit correspondence coast to coast at what today is unbelievable speed. President Eisenhower thought it important enough to make mention of it. Postmaster General Summerfield, who says he is "not given to star-gazing, nor am I an unrealistic dreamer," revealed that IT&T has been awarded a research contract to expedite development of a high-speed letter service. Model equipment is in operation at the Federal Post Office Department at this very moment. Goal is transmittal of 1,800 pages per minute. What are we getting at? If success is achieved, what happens to air-carrier revenue from this form of traffic? ATA President Tipton, in the symposium featured in the December, 1959 issue indicated that the use of air mail has registered some profound increases in the past decade. Will technological progress eventually eliminate the airlines from this market? Stranger things have been known to happen. Another good reason why the airlines—all of them, we mean—ought to get down to brass tacks on the matter of air-shipping development.

•

RUMORS TO THE EFFECT that the four-airline alliance known as Air Union will postpone the official inauguration of operations until the summer or fall appear to be unfounded. Last month the Governments of Belgium, France, Italy, and West Germany placed their stamps of approval on the cooperative venture. Starting date is said to be April 1. The airlines involved are Sabena, Air France, Alitalia, and Lufthansa. KLM pulled out some time ago.

•

IF SOVIET RUSSIA's civil airline, Aeroflot, enters the United States market, a major question is one of rates. That country is not a member of the International Air Transport Association which governs rates area by area. Some professed to believe that opening of a direct United States-Moscow air route was imminent, and there was some hard thinking on the aforementioned brow-creaser. But the two-year extension of the cultural exchanges agreement, which conceivably could have included a civil air pact, failed to mention it. Now the pundits are saying that agreement must await the outcome of Eisenhower's Soviet visit next spring. That guess is as good as any.

•

SOME TIME NEXT YEAR Air France expects to start a regular distribution operation involving an annual total of 2,000 tons of general merchandise for a single shipper. Shipments will be consigned to approximately a score of retail stores in North Africa, all part of a Paris chain. The French carrier is studying the operational details and ironing out kinks in order to provide a smooth flow.

•

1960 WILL BE A YEAR TO WATCH. On January 1, a new low transpacific cargo rate structure, which does away with specific commodity rates and introduces six weight breakpoints, becomes effective. On April 1, substantially lower rates on 17 commodity groups and the addition of a second breakpoint, will go into effect on the North Atlantic. (See November 1959 AT; Page 7.) No doubt each area will see important tonnage gains after the effective date of its new rates. But which structure will produce the greater rate of increase? By fall we ought to know.

AIR TRANSPORTATION

The World's First Air Cargo Magazine
Established October, 1942

BPA

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AIR TRANSPORTATION, published once each month, thoroughly covers the entire air cargo industry for the benefit of all those engaged in shipping and handling domestic and international air freight, air express, and air parcel post. Included in AIR TRANSPORTATION'S wide coverage are: air shipping, cargoplane development, rates, packaging, materials handling, documentation, air cargo terminal development, insurance, routing, interline procedures, new equipment, commercial airlines, military air transport service, air freight forwarding.

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VOL. 36 JANUARY, 1960 No. 1

Earlier Rate Cut On North Atlantic Doomed

Pan American World Airways' move to introduce this month on the North Atlantic the reduced cargo rates previously scheduled for April 1 has been turned down by the International Air Transport Association. Although IATA issued no announcement on the matter under consideration, its thumbs-down decision was one of the worst-kept secrets in recent months.

For some time there had been considerable anxiety among the North Atlantic carriers. Pan Am, it is understood, considered that an open-rate situation existed, and sought to bring the April 1 rates into effect in January.

The dispute involved a series of commodity-rate changes which bring some down to as low as 30¢ per pound and a new weight breakpoint at 1,100 pounds in addition to the present 100-pound breakpoint. *(November 1959 AT; Page 7).* It is believed by many in the industry that the new rates will boom air freight traffic across the North Atlantic.

Air Cargo Center At Newark is Dedicated

Second in size only to the vast cargo facility at New York International Airport, the Newark Airport Air Cargo Center was dedicated last month. Built on a 29-acre site by The Port of New York Authority, the new air-shipping facility cost $4 million.

Port Authority Chairman S. Sloan Colt presided at the dedication. The speakers were Judge Robert A. McKinley, Deputy Mayor of Newark, and Robert L. Turner, vice president-traffic, Air Transport Association.

The Cargo Center consists of three one-story buildings with a total of approximately 108,000 square feet of space. Each of two structures can handle four aircraft; the third, seven planes. Twenty-four trucks can be accommodated by each building.

It was reported that 85% of the space in the cargo buildings have been leased to eight of the dozen domestic airlines serving Newark Airport. The cargo service building is 70% occupied by freight forwarders, cartage companies, and the Railway Express Agency. Two of the buildings are in operation. The third is expected to be operational before the end of this year.

Newark Airport, which handles about a third of the air cargo volume in the New Jersey-New York Port District, handled 35,000 tons of air shipments in the first nine months of 1959, a 20% jump over the same period of 1958. The Port Au-

(Concluded on Page 10)

Liberalized Operational Rules For International Forwarders

New Civil Aeronautics Board rules governing the operations of international air freight forwarders, far more liberal than at any time before, will go into effect January 8. A signal victory for the air freight forwarding industry, the newly revised Part 297 of the Board's Economic Regulations implement the policy determinations made by the CAB in its opinion and order of November 6, 1958 *(December 1958 AT; Page 6).*

Jubilation reigned among the international forwarders, particularly among the members of the Air Freight Forwarders Association, national industry body, whose executive vice president, Washington Attorney Louis P. Haffer, carried the legal ball before the Board.

However, it was learned at presstime that opposition to one of the new provisions in Part 297 is solidifying among the foreign-flag airlines. They reportedly are of one opinion that they are being unduly restricted and discriminated against in the matter of forwarder charters, and are being frozen out of this type of traffic. It is presumed that some form of action against this regulation will be taken by the foreign carriers.

(Editor's Note: Last-minute advice from Washington revealed that the matter has been brought to the attention of the CAB.)

Apart from the rights won by the forwarders, there was general satisfaction in the Board's abandonment of an earlier recommendation by an examiner to change the descriptive title, "international air freight forwarder," to "air cargo consolidator." The suggested new designation had been attacked by the AFFA as one which described only "a partial function of the forwarder" and as having "an entirely different connotation in Europe where it denotes an agent rather than an indirect carrier."

Announcing the rules change, the Board stated:

"This regulation enlarges the present operating authority of International Air Freight Forwarders subject to Part 297. It expressly authorizes two or more forwarders to engage in joint loading as defined therein. . . .

"The regulation also permits, as a stop-loss technique, any holder of an operating authorization as an international air freight forwarder to act as agent of the individual shipper on any shipment or shipments accepted by such holder in the capacity of an international air freight forwarder in the event that the volume of freight available for a consolidated single shipment is inadequate or, in the alternative, to act as agent of a direct air carrier which has authorized an agency relationship under such circumstances. . . .

"In order to avoid any overlapping of agency relationships, an international air freight forwarder who elects to act as agent of the shipper is prohibited from charging any commission for its agency

(Continued on Page 10)

World Air Cargo Traffic Rose Sharply Last Year

The International Civil Aviation Organization reported at presstime that its 74 member nations flew a total of 1.295 billion cargo ton-miles in 1959. This represented an increase of 14% over the previous year which had shown a growth factor of only 2% at that time.

Air cargo's 14% increase topped all the rest. Mail ton-miles rose 11%, while passenger-miles went up 12%.

The People's Republic of China and Soviet Russia are not included in these figures.

Investment Bankers Hit Airline Role of MATS

A report issued by the Aviation Securities Committee of the Investment Bankers Association of America recommended that the Military Air Transport Service "be limited to a hardcore military mission," with "the most modern aircraft for that purpose, including equipment which could immediately support any strike by SAC." The group, which is headed by Walter M. Giblin, of Blyth & Co., Inc., also, in part, recommended:

"That the airlines take over the major part of the MATS cargo and personnel transport in order to develop the potential of the air cargo business to the point where considerably lower costs to the Government and to the public could be made available.

"That the Government recognize that there is a great need for the development of an expanded cargo airlift for commercial and military purposes and should therefore give assurance of some form of assistance in developing new cargoplanes which will permit the most efficient operations. Additionally, this would help the commercial carriers to build up a large modern fleet which would be available to the military through the Civil Air Reserve fleet."

With regard to the latter, most of the

(Concluded on Page 10)

United and KLM Order Conversion to DC-Fs

Two important carriers of air freight—United Air Lines and KLM Royal Dutch Airlines—have ordered a total of 12 passenger airliners converted to DC-7F air-freighters. R. L. Mangold, United's director of cargo sales development, and Alvin E. Levenson, United States cargo manager of KLM, each reported six such conversions for his company.

Levenson Mangold

Reveal all-cargo conversions

Mangold stated that the first of the coast-to-coast airline's DC-7s undergoing conversion will enter service in March. According to Levenson, the Dutch airline, which is converting DC-7Cs to the all-cargo configuration, will take delivery of the first plane in June. Both airlines will have their entire DC-7F fleet before the end of 1960.

Airexport of Fresh Beef Studied in New Zealand

New Zealand shippers of fresh meat are looking into the economic feasibility of exporting fresh meat by air. They are reported to be interested in airhauling the fresh meat to Britain and the United States if the transportation rate can be brought down low enough. New low transpacific rates went into effect January 1, but they affect Central and North Pacific shipments only.

TCA and BOAC Integrate Canada-U.K. Services

A joint announcement by G. R. McGregor, president of Trans-Canada Air Lines, and Basil Smallpeice, managing director of British Overseas Airways Corp., stated that the two carriers will integrate their North Atlantic cargo and passenger schedules, effective March 1.

"This agreement will ensure that the services between Canada and the United Kingdom will be offered at times best suited to the needs of the expanding public demand," they stated.

New Hangar for Swissair

Swissair last month inaugurated its new 12-acre hangar at New York International Airport. Inaugural ceremonies were attended by many dignitaries, including Henry de Torrente, Swiss Ambassador to the United States, and Hugo K. Mayr, Swissair's North America general manager.

B·O·A·C

SPEEDBIRD CARGO SERVICES

NEW YORK TO TOKYO Weight	Cost Per Lb.	% Savings Over Current Rates	SAN FRANCISCO TO TOKYO Weight	Cost Per Lb.	% Savings Over Current Rates
0 to 99 lbs.	$2.25	18%	0 to 99 lbs.	$2.19	12%
100 lbs. to 549 lbs.	1.69	18%	100 lbs. to 549 lbs.	1.64	12%
550 lbs. to 1,099 lbs.	1.43	24%	550 lbs. to 1,099 lbs.	1.30	20%
1,100 lbs. to 5,499 lbs.	1.13	40%	1,100 lbs. to 5,499 lbs.	1.00	38%
5,500 lbs. to 21,999 lbs.	.96	49%	5,500 lbs. to 21,999 lbs.	.85	47%
22,000 lbs. and up	.86	54%	22,000 lbs. and up	.75	53%

FASTEST · SUREST · MOST DIRECT

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THIS WILL SAVE YOU 12% to 54% on shipments to the ORIENT!

TOKYO, HONG KONG, BANGKOK, SINGAPORE, SAIGON

BOAC will fly Speedbird Cargoes from New York and San Francisco to its many Orient ports at new low rates, with higher weight-breaks... starting January, 1960, subject to government approval.

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Takes good care of your Cargo

BRITISH OVERSEAS AIRWAYS CORPORATION

General Sales Agents for

QANTAS, TEAL, SAA, CAA, MEA, BEA & BWIA

Flights from New York, Boston, Chicago, Detroit, Honolulu, San Francisco, Montreal. Offices also in Atlanta, Buffalo, Cleveland, Dallas, Los Angeles, Miami, Philadelphia, Pittsburgh, Washington, Toronto, Vancouver, Winnipeg.

Kangaroo Anniversary

Last month Qantas and British Overseas Airways Corp. celebrated the 25th anniversary of the 12,000-mile Kangaroo Route between Sydney and London which they jointly operate. The world's longest air route was established in December, 1934, the journey between Australia and England taking 12 days. Today, Qantas' Boeing 707s and BOAC's de Havilland *Comet 4s* takes less than two days to forge the link.

New PAA Division Takes Over Functions of Two

Pan American World Airways' Atlantic and Pacific-Alaska Divisions have been merged in a newly organized Overseas Division headed by Harold E. Gray, executive vice president. Reportedly "a move to keep pace with the speed and global sweep of the Jet Age," the new division makes its headquarters at New York International Airport.

Jetfreight Record

According to Pan American World Airways it recently hauled a record jetshipment of 8,336 pounds of printed material, in 116 parcels, from New York to London, consigned by Pfizer International. It formed the larger part of a total of 12,085 pounds freight and mail flown by the airline. The shipment was handled by Air Express International Agency.

BANKERS

(*Continued from Page 6*)

committee members felt that guaranteed loans will not necessarily be of major importance to air cargo's development. This has come to be known as the Quesada Plan, after General Quesada, FAA Administrator.

AIR CARGO CENTER

(*Continued from Page 6*)

thority estimates that it will be handling 100,000 tons annually within five years.

Following is the list of lessees at the Air Cargo Center at the present time:

Cargo Bldg. 150—Air Express International Corp.; Airways Parcel Post Service, Inc.; Railway Express Agency, Inc.; WTC Air Freight; World-Wide Services, Inc.; Emery Air Freight Corp.; Air Cargo Consolidators, Inc.; Majestic Air Freight Service; Consolidated Airlines Services; Imperial Air Freight Service.

Cargo Bldg. 151—United Air Lines; Delta Air Lines; Trans World Airlines; Braniff International Airways; Eastern Air Lines.

Cargo Bldg. 152—Capital Airlines; American Airlines.

Cargo Bldg. 153—Flying Tiger Line.

FORWARDER RULES

(*Continued from Page 6*)

services in obtaining the direct air transportation and is required to limit its charges for accessorial and surface services actually rendered to the amounts separately specified in such forwarders' filed tariffs. When the air freight forwarder consigns a shipment as agent of the direct air carrier rendering the transportation service, the forwarder may not charge the shipper other than the airport-to-airport rate for air transportation specified in the applicable tariffs of such direct air carrier and the applicable charges for accessorial and surface transportation services actually rendered, as specified in the tariffs filed with the Board by the air freight forwarder."

The international forwarders' operating authority has been enlarged to permit them to purchase the services of supplemental, large irregular, and irregular airlines engaged in overseas or foreign transportation on an individually waybilled shipment basis. This authority will terminate January 8, 1963. The CAB announcement further stated:

". . . Although the regulation expressly prohibits international air freight forwarders from engaging in the direct operation of aircraft, it enlarges the present operating authority to permit such forwarders to charter aircraft from any direct air carrier authorized by the Board to operate cargo charter trips and special services in overseas or foreign air transportation. However, certain conditions will have to be met when the cargo charter trip is to be conducted between points or areas between which other direct air carriers are authorized to engage in air transportation pursuant to certificates of public convenience and necessity. Under such circumstances, an international air freight forwarder is prohibited . . . from chartering aircraft from the direct air carrier involved without specific authority granted

(*Continued on Page 12*)

FORWARDER RULES

(*Continued from Page 10*)

by the Board, unless the direct air carrier involved has a certificate and could be authorized by its terms to serve such points or areas on a nonstop basis, or written consent is obtained of the authorized certificated air carriers.

". . . A provision has been added to . . . prescribe the contents of petitions for prior Board approval of a charter. A copy of the petition submitted to the Board must be served by the forwarder upon each air carrier possessing certificate authority to operate between the points or areas involved. In order that the Board may take expeditious action on such requests for approval of charters, no provision has been made for a right to file answers. In proper cases the Board will make timely inquiry of the certificated carriers concerned for any additional information deemed necessary to determine whether the required showing has been made by a forwarder."

The international forwarders have been given an "indefinite status, terminable upon a finding by the Board that the continued operation by these indirect air carriers "is no longer in the public interest." The Board added that it is reserving for itself "the power to issue exemption authorizations shorter than the life of this Part and to establish appropriate conditions upon individual authorizations."

Another section of the regulation "prohibits an international air freight forwarder from tendering shipments at preferential tariff rates for forwarders filed by a direct air carrier unless the use of such rates by forwarders has been authorized by the Board. Preferential rates for forwarders are rates which apply to forwarders only and are lower than the rates for like services to other shippers. The Board finds that its prior authorization for the use of such rates by forwarders is required in the public interest in order to prevent forwarder traffic from disrupting the stability of foreign freight rates. . . .

"Holders of operating authorizations are prohibited . . . from consigning any shipment in the capacity of international air freight forwarders through any cargo agent or sales agent of any direct air carrier or any other intermediary receiving commissions on such shipments from direct air carriers engaged in overseas or foreign air transportation. Such a prohibition is considered necessary to assure sound economic conditions in the air cargo business. The principal function of the cargo sales agent is to persuade potential shippers to use air transportation and to represent the interest of a particular airline by soliciting customers for its services. However, air freight forwarders have a basic obligation to promote the interest of the shipper in the expeditious routing and handling of the goods consigned to their care. Thus, it is equally inherent in the nature of the services performed by air freight forwarders that they select the most suitable direct air carrier. Consequently, there does not appear to be any demonstrable need for international air freight forwarders to utilize the services of such agents. Furthermore, it is considered very likely that the leverage afforded forwarders due to the intense competition for their business between agents of direct air carriers would tend to result in the use by the agents of part of their commissions for granting direct or indirect benefits to forwarders.

"These considerations, in the opinion of the Board, are of paramount importance and justify application of the aforementioned prohibition to all shipments which the holder of an operating authorization consigns as an international air freight forwarder, whether they be consolidated or joint loaded shipments, or shipments inbound to the United States from a point outside thereof."

The Board said that it had been pointed out by others that "there are instances when it will be operationally necessary for an international air freight forwarder to tender shipments to a direct air carrier which has been designated by another direct air carrier as exclusive agent for receiving shipments on its behalf." To this the Board said:

"It is recognized that the considerations underlying the need to prohibit the tender of shipments to intermediaries of direct air carriers receiving commissions on such shipments do not justify extension of the prohibition to the tender of shipments to a direct air carrier which acts as agent of another direct air carrier for delivery purposes. Accordingly, an appropriate proviso has been added to the prohibition . . . to permit the forwarder to tender shipments to such an agent of a direct air carrier."

Minimum insurance covering cargo damage has been established at $10,000, and the minimum requirement on public liability for property damage at $5,000.

On the subject of documentation, the Board has this to say:

"In the absence of specific regulatory

(*Concluded on Page 38*)

Larger, faster Super Sky Merchant Fleet now provides more widely scheduled air freight service than ever!

Across the U. S. A., TWA's expanded Super Sky Merchant Fleet adds more flights and offers you the most widely scheduled air freight service with great, all-cargo Super-H Constellations. Daily service to New York, Philadelphia, Pittsburgh, Columbus, Indianapolis, St. Louis, Kansas City, Chicago, Los Angeles and San Francisco.

Overseas to Europe, TWA's new Super Sky Merchants now offer four transatlantic flights each week to provide service to European trading centers—Shannon, Frankfurt, Paris, Geneva, Zurich, Rome.

Almost anything goes by TWA, from large generators to tiny electronic equipment. Huge cargo doors permit easy handling of extra-length items or bulky machinery without disassembling. Pressurized and temperature-controlled cabins protect live animals and perishables.

Whenever . . . whatever you ship, specify TWA. Call your Freight Forwarder or your nearest TWA Air Freight office—today!

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AIR CARGO: THIRD QUARTER

Statistics covering freight and express flown by the scheduled combination, all-cargo and Helicopter airlines of the United States during the comparable third quarters of 1958 and 1959.

REVENUE TON-MILES OF FREIGHT CARRIED

	3rd Quarter 1958	3rd Quarter 1959	Percent of Change
Domestic Trunklines	66,798,000	72,949,000	+9.2
Local Service Airlines	662,000	931,000	+40.6
Territorial Airlines	424,000	444,000	+4.7
Helicopter Airlines	2,000	3,000	+50.0
International & Overseas Airlines	34,088,000[2]	39,173,000[2]	+14.9
Alaskan Airlines	2,212,000[2]	2,272,000[2]	+2.7
All-Cargo Airlines*	30,638,000[1]	35,435,000[1]	+15.7
Consolidated Industry	134,824,000[3]	151,207,000[3]	+12.2

REVENUE TON-MILES OF EXPRESS CARRIED

	3rd Quarter 1958	3rd Quarter 1959	Percent of Change
Domestic Trunklines	12,436,000	14,365,000	+15.5
Local Service Airlines	494,000	621,000	+25.7
Helicopter Airlines	9,000	9,000	
All-Cargo Airlines*	211,000	315,000	+49.3
Consolidated Industry	13,150,000	15,310,000	+16.4

OPERATING REVENUES—FREIGHT

	3rd Quarter 1958	3rd Quarter 1959	Percent of Change
Domestic Trunklines	$15,916,000	$17,488,000	+9.9
Local Service Airlines	346,000	509,000	+47.1
Territorial Airlines	207,000	222,000	+7.2
Helicopter Airlines	7,000	10,000	+42.9
International & Overseas Airlines	11,551,000[2]	13,076,000[2]	+13.2
Alaskan Airlines	831,000[2]	844,000[2]	+1.6
All-Cargo Airlines*	5,888,000[1]	7,239,000[1]	+22.9
Consolidated Industry	$34,746,000[3]	39,388,000[3]	+13.4

OPERATING REVENUES—EXPRESS

	3rd Quarter 1958	3rd Quarter 1959	Percent of Change
Domestic Trunklines	$4,375,000	$5,120,000	+17.0
Local Service Airlines	223,000	274,000	+22.9
Helicopter Airlines	29,000	30,000	+3.4
Alaskan Airlines	30,000	11,000	—63.3
All-Cargo Airlines*	47,000	85,000	+80.9
Consolidated Industry	$4,704,000	$5,520,000	+17.3

[1] Includes domestic and international.

[2] Express and freight combined.

[3] Includes express carried by International and Alaskan carriers.

**Slick Airways suspended common carrier operations on February 24, 1958.*
***Aaxico Airlines suspended common carrier operations in June, 1959.*

DOMESTIC TRUNKLINES
American • Braniff
Capital • Continental
Delta • Eastern
National • Northeast
Northwest • TWA
United • Western

LOCAL SERVICE AIRLINES
Allegheny • Bonanza
Central • Frontier
Lake Central • Mohawk
North Central • Ozark
Pacific • Piedmont
Southern • Trans-Texas
West Coast

TERRITORIAL AIRLINES
Hawaiian
Trans-Pacific

HELICOPTER AIRLINES
Helicopter
Los Angeles
New York

ALL-CARGO AIRLINES
AAXICO ** • ASA
Flying Tiger • Riddle
Seaboard & Western

INTERNATIONAL & OVERSEAS AIRLINES
American • Braniff
Caribbean/Atlantic • Delta
Eastern • National
Northwest • Pan American
Panagra • TWA
Trans-Caribbean • United

ALASKAN AIRLINES
Alaska • Alaska Coastal
Cordova • Ellis
Northern Consolidated
Pacific Northern • Reeve Aleutian
Wien Alaska

SERVICES

PAN AM GLOBAL JETS

Pan American World Airways has increased its round-the-world jet schedules from two weekly flights to six. New westbound schedules from San Francisco call for departures every Sunday, Tuesday, and Thursday; eastbound from New York, every Tuesday, Thursday, and Saturday. New cities served by jets on the global schedules are Munich, Vienna, Ankara, Teheran, and New Delhi.

BOAC EXPANDS JET SERVICES

Starting next month, British Overseas Airways Corp. will provide *Comet 4* jet service from New York to Nassau and Jamaica. The weekly jet program calls for three direct flights to Jamaica, and three to the same destination via Nassau.

SAS JETS TO DHAHRAN

Scandinavian Airlines System has named Dhahran, Saudi Arabia, as the new terminal point of its *Caravelle* jet route between Scandinavia and Abadan. This run is via Dusseldorf, Vienna, Istanbul, Ankara, and Damascus.

NEW AA-DAL-NAL JET RUNS

Very soon southern transcontinental through-plane DC-8 jet service will be inaugurated by American Airlines and Delta Air Lines. The aircraft, which are owned by Delta, will be manned by an American crew from Los Angeles to Dallas, and from that point eastward by a Delta crew. Later this spring, the two carriers, plus National Airlines, will offer Los Angeles-Dallas-New Orleans-Miami jet services. American will operate it between Los Angeles and Dallas; Delta, between Dallas and New Orleans; National, between New Orleans and Miami.

MORE UAL DC-8 FLIGHTS

United Air Lines has added a second daily nonstop DC-8 jet flight between New York and San Francisco. The carrier also has stepped up its nonstop jet runs between San Francisco and Los Angeles to three daily.

BEA COMETS TO MOSCOW SOON

On April 1 British European Airways will inaugurate nonstop *Comet 4B* jet service between London and Moscow. Flying time: 3:30 hours. The present *Viscount* flights to the Soviet capital are via Copenhagen.

NEW OFFICES

IRISH

Philadelphia—1518 Walnut St. Phone: KIngsley 6-4224. District sales manager: Edward J. Greene.

LUFTHANSA

New York—New cargo headquarters are located at 410 Park Ave. Phone: PLaza 9-5522. Cargo Manager-North America: Joerg W. Paetow.

AIRPORTS

SEATTLE-TACOMA

Following is the cargo-handling record of Seattle-Tacoma International Airport for the months of September and October:

Freight — September: 3,216,762 pounds (up 9% from the same months the year before). October: 3,256,281 pounds (up 15%). For the first 10 months of 1959, 29,220,049 pounds were recorded, as against 24,485,043 pounds in the same period of 1958.

Express — September: 277,718 pounds (up 10%). October: 295,245 pounds (up 10%). For the first 10 months of 1959, 2,566,644 pounds were recorded as against 2,309,234 pounds in the same period of 1958.

NEW BORDEAUX AIRPORT

Bordeaux-Merignanc Air Terminal is open for traffic. It is a two-runway field—6,500′ and 7,800′ long. A UAT French Airlines DC-6, en route from Paris to Africa, was the first plane to land at the new airport.

NEW FIRM AT SHANNON

A newly formed Irish company, W. B. Pink, Ltd., will manufacture fabric-marking machines at Shannon Airport's Free Trade Zone for air export to world markets.

John Vanderspek Dies

One of the best-known cargo men in this country, John Vanderspek, district cargo sales manager in Denver for KLM Royal Dutch Airlines, died suddenly last month. Vanderspek had been on a skiing outing with his children. He was 39.

Vanderspek

A native of Holland, Vanderspek came to this country in 1947, the same year he joined KLM's freight section at New York International Airport. Four years later he became assistant to the United States cargo manager. In 1957, when the Dutch carrier started its Houston-Amsterdam run he was transferred to the Texas city where he headed up all freight operations. He was elevated to district manager in Denver just one year ago.

Vanderspek is survived by his wife, Karin, and three children: Robert, Catherine, and Ronald.

COAST-TO-COAST TELEX INAUGURATED

Shown above are Ralph D. Saylor, general manager of Western Union's Pacific Division (left), and James H. Jeffrey, San Francisco manager of the Bunge Corp., at the recent inauguration of the telegraph company's coast-to-coast Telex service. The domestic Telex system now links San Francisco with New York, Chicago, and 36 Canadian cities in direct and instantaneous service. It permits subscribers to dial correspondents at any time of the day or night for automatic two-way telegraph connections at special time-distance rates. In addition to dialing out-of-town subscribers, Telex machine may be used between local subscribers and to send and receive regular Western Union telegrams and cablegrams.

COMMERCIAL AIRCRAFT

U. S. JET AGE

The Air Transport Association reported last month that close to 300 pure jets and propjets are being operated by United States scheduled airlines. On order for delivery through 1962 are 232 pure jets and 81 propjets. These contrast with 745 turbine-powered airliners in service and on order (with delivery scheduled through 1963) by 73 foreign airlines.

SAS DC-6s TO AERONAVES

Scandinavian Airlines System has sold six DC-6 transports, plus spare parts, to

(Concluded on Page 38)

It's about to start...

THE BIG

By STANLEY H. BREWER • *Professor of Transportation, College of Business Administration, University of Washington*

THE connotation of the term breakthrough implies to many an impending revolution in air freight development. However, a careful analysis of the problems of the breakthrough period would indicate an evolution rather than a major revolution. The purpose of this study is to evaluate some of the business and economic aspects of the impending breakthrough period which will start by mid-1960 and last through 1963 and possibly into 1964.

Table I shows that 20 out of the 23 forecasts of air cargo growth that were made by various people and organizations in the 1942-1950 period, and which have now gone beyond the forecast year, proved to be overly optimistic. Only one of these forecasts was anywhere near accurate, and two of them were ultra conservative when compared with actual achievement. Nearly all of these prognosticators went out of the forecasting business about 1950. The conclusions one might reach are that soothsaying air cargo growth is hazardous at best, and this is the reason that the present generation of forecasters is grossly underpaid. The forecasts of the past compared with actual growth have, no doubt, done a great deal to destroy the confidence of top management of the airline and aircraft manufacturing industries in the air cargo industry. A number of recent predictions have once again expressed a great deal of optimism for rapid growth in this industry. In forecasts made for the Boeing Company and the Stanford Research Institute*, growth rates of from 20% to 30% each year were predicted through the year 1975. Some other studies have estimated greater growth, while a few have been more conservative.

There has been a world shortage of aircraft during the past 15 years and, as a result, the available planes have been devoted to the most profitable uses. This is as it should have been to bring the airline industry from a position of dependence on government subsidy to a position of independence from direct aid and potential profitability with a favorable regulatory climate and proper management.

During the past 10 years, average growth in the U. S. scheduled airline industry has been nearly 15% a year, measured in terms of revenue passenger-miles. The rate at which the consolidated industry has grown between 1948 and 1958 is shown in Table II. This rate of growth has at times been slowed by the inability of the industry to absorb new business, but it does not appear that this will be a problem

TABLE I

Comparison Between Air Freight Forecasts and U. S. Domestic Movements

Forecast Number	Forecast Year	Ton Miles Forecast (000,000)	Ton Miles Transported (000,000)	Rate Forecast Cents per T/M	Actual Frt. Rate Cents per T/M	Year of Forecast	Forecast Made By
1	1946	298.0	14.8	14.0	29.1	1944	Curtiss-Wright
2	1946	145.5	14.8	16.0	29.1	1944	Curtiss-Wright
3	1947	1,200.0	35.9	12.5	24.2	1946	Slick Airways
4	1948	242.4	71.3	18.0	19.9	1945	Air Cargo, Inc.
5	1948	400.7	71.3	14.0	19.9	1944	Curtiss-Wright
6	1948	299.8	71.3	16.0	19.9	1944	Curtiss-Wright
7	1948	195.8	71.3	20.0	19.9	1944	Curtiss-Wright
8	1948	112.0	71.3	25.7	19.9	1947	C. A. B.
9	1950	331.5	114.1	18.0	19.5	1945	Air Cargo, Inc.
10	1950	518.2	114.1	14.0	19.5	1944	Curtiss-Wright
11	1950	387.6	114.1	16.0	19.5	1944	Curtiss-Wright
12	1950	253.6	114.1	20.0	19.5	1944	Curtiss-Wright
13	1950	157.6	114.1	25.0	19.5	1944	Curtiss-Wright
14	1950	2,000.0	114.1	6.0	19.5	1945	Edward Werner
15	1950	3,000.0	114.1	10.0	19.5	1945	Edward Werner
16	1950	60.0	114.1	20.0	19.5	1945	Edward Werner
17	1950	390.0	114.1	15.0	19.5	1945	Douglas Aircraft
18	1950	5,000.0	114.1	9.0	19.5	1945	Douglas Aircraft
19	1955	120.0	177.0	20.0	23.1	1945	C. A. A.
20	1955	1,150.0	177.0	18.0	23.1	1948	C. A. A.
21	1955	550.0	177.0	18.0	23.1	1942	Nat'l Res. Plan. Brd.
22	1955	1,600.0	177.0	10.0	23.1	1943	Gen'l Electric
23	1955	370.0	177.0	14–16	23.1	1950	Port of New York
24	1960	1,320.0		12.0		1952	Douglas Aircraft
25	1960	555.9		14–16		1950	Port of New York
26	1961 U. S. Domestic	1,100.0		17–20		1957	Stanley H. Brewer
27	1961 U. S. Int'l	841.6		23		1958	Stanley H. Brewer
28	1965 U. S. Domestic	2,700.0		12–15		1957	Stanley H. Brewer
29	1965 U. S. Int'l	2,555.0		15.0		1958	Stanley H. Brewer
30	1970 Dom. and Int'l	17,500.0		10.0		1959	Stanley H. Brewer
31	1975 Dom. and Int'l	35,000.0		8.0		1959	Stanley H. Brewer

* By the author.

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BREAKTHROUGH

"The big breakthrough in air freight will start by mid-1960 and continue into 1964."

in the immediate future. The number of passenger-miles will continue to increase, but, in all probability, the average yearly percentage increases will be somewhat smaller for the future than in the past. The growth curve leveled off from 1957 through 1958 with the recession, but the introduction of jets and business recovery in 1959 have once again accelerated the growth curve.

The shortage of airplanes that might have held back passenger growth in the immediate past will not occur again in the forseeable future. One of the imminent major problems of the aviation industry is the disposition of surplus piston-engined airplanes.

The growth predictions in the air cargo industry in the past were based upon freight potential, airline management interest in this new business, and the ability of this management to reduce price for air cargo services. The freight potential has not declined; it has continued to grow with an economy that is becoming more complex. The number of products offered to consumers has increased and become more expensive, and the cost of multiple-stage distribution has climbed very rapidly.

Top management in the airline industry has been forced to give their primary attention to the burgeoning passenger business and the several stages of re-equipping that have occurred in the past 10 to 15 years. There has been little opportunity to reduce rates for the movement of air freight, because the airplanes used in

Stanley H. Brewer

this segment of the business have been so costly to operate that it has been a losing venture for most operators. Although some rate reductions have recently resulted in a lowering of average ton-mile yield to operators, there has not been the drastic cutting of price that many predicted. There is little room to criticize top airline management for its lack of interest in air freight or for the industry practices that have discouraged many shippers from getting too dependent on this form of transportation. Many of the forecasts of the past were well within the realm of reason when the assumptions are analyzed.

The present climate for future growth in the air cargo industry is quite different from that of the past.

The major transcontinental and international carriers are increasing their all-cargo capacity. The large cargo compartments in the new passenger jets will undoubtedly be an added source of revenue, particularly as passenger load factors decline. Preliminary estimates by airplane manufacturers indicate that the jet and turboprop airplanes of the future may be more profitable in freight operations than in passenger flights.

(Continued on Page 27)

TABLE II

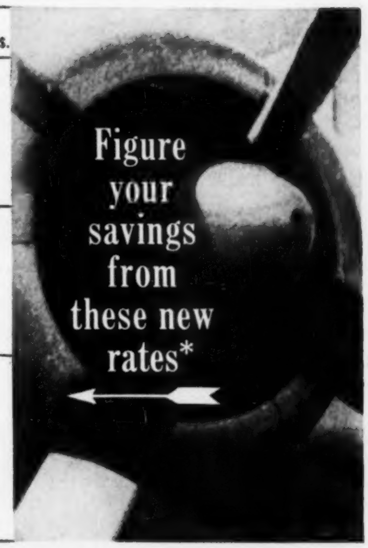
Growth in Revenue Passenger-Miles Carried
U. S. Scheduled Airline Industry 1948-1598

Year	Passenger Miles (000)	Yearly Percent Increase
1948	7,872	
1949	8,827	12.13
1950	10,241	16.01
1951	13,202	28.91
1952	15,619	18.31
1953	18,234	16.74
1954	20,599	12.97
1955	24,340	18.16
1956	27,612	13.44
1957	31,243	13.15
1958	31,482	.76

Average yearly increase 1948-1958—15.0%
Average yearly increase 1949-1958—13.5%


NWA SLASHES
TRANSPACIFIC
AIR CARGO RATES!
NOW
LOW
AS
75¢
LB.

BETWEEN	0 to 99 lbs.	100 to 549 lbs.	500 to 1099 lbs.	1100 to 5499 lbs.	5500 to 21,999 lbs.	Over 22,000 lbs.
NEW YORK, MONTREAL, TORONTO and						
Tokyo	225	169	143	113	96	86
Manila	229	173	147	117	100	90
Hong Kong	229	173	147	117	100	90
Saigon	230	174	148	125	108	98
Bangkok	235	177	162	144	127	117
CHICAGO and						
Tokyo	222	166	140	110	93	83
Manila	226	170	144	114	97	87
Hong Kong	226	170	144	114	97	87
Saigon	227	171	145	122	105	95
Bangkok	232	174	159	141	124	114
SEATTLE, TACOMA, PORTLAND, VANCOUVER, SAN FRANCISCO, LOS ANGELES and						
Tokyo	219	164	130	100	85	75
Manila	223	168	134	104	89	79
Hong Kong	223	168	134	104	89	79
Saigon	224	169	135	112	97	87
Bangkok	229	172	149	131	116	106



BOTH TO AND FROM THE ORIENT, Northwest's new cargo rates give you *two* kinds of savings: new lower general commodity rates and new volume rate breaks. Up to 53% savings!

Save by shipping aboard the dominant transpacific carrier . . . Northwest, pioneers of the *first* all-freighter service across the Pacific and pioneers of the shortcut great circle route to the Orient.

12 ORIENT FLIGHTS WEEKLY—Five all-freighter DC-6 flights weekly, plus daily DC-7C combination passenger/cargo flights. *More Orient freight-lift than any other airline,* with direct connections to 32 U. S. cities.

MORE TRANSPACIFIC VOLUME—With huge 67" x 90¾" cargo-loading door, 200 lb. per sq. ft. load capacity, controlled temps and pressure for perishables, and DC-6 speed and reliability, Northwest carries more freight to the Orient than all other airlines combined.

MORE GREAT-CIRCLE EXPERIENCE on the shorter Seattle-Tokyo route, which Northwest was first to fly, and has now flown 12,000 times. Excellent connections in the U. S. with 32 on-line cities across the country . . . plus expedited transfers to other carriers . . . all on one through air waybill.

Call your freight forwarder, cargo agent or . . . **NORTHWEST *Orient* AIRLINES**

TRADITION IN

The Barnetts—William and sons Norman and Alan.

TAKE the case of the well-to-do American businessman who traditionally spent part of each year at his villa in Nice. He went motoring one day, got himself involved in a serious smash-up, and wound up in the local *hôpital*. In short order it was decreed by the head *médecin* that the complicated nature of the injuries of *l'Américain* demanded a special type of bed. The bed, it turned out, was not readily available at the *hôpital* or its suppliers, and its manufacturer was located in New Jersey.

The incapacitated businessman, brooking no nonsense, phoned his New York manager and instructed him to "tell Barnett to get the bed here in a hurry, damn it."

While such assignments are not included in the normal functions of Barnett's professional activities, the task was accepted as a special service for a long-time client. The manufacturer was located and the bed purchased. One of Barnett's trucks sped across the Hudson to make the pickup, then dashed back to New York, crossing two rivers to reach Idlewild.

The earliest eastbound plane happened to be a BOAC passenger flight—but the bed was of rigid design and too bulky to be accommodated in the well-filled cargo compartment. The momentary problem was solved by removing several of the forward seats in the passenger compartment, moving the wall several feet, and utilizing the space for the bed. Barnett's agent in London, previously advised of the shipment and its urgency, met the plane on its arrival there, and effected the consignment's transfer to the next BEA flight to Nice.

Thirty hours from the moment Barnett International Forwarders, Inc., received the frantic message from its client's representative, the disabled American was transferred to the airfreighted bed. The people at the *hôpital* marveled, whispered wondrous things about "these new times," but the patient gave the incident no further thought: he'd been shipping by air for years, so what was this fuss all about?

The incident is mentioned not to illustrate the utility of air transportation, but to draw attention to the offbeat demands which the Barnett organization has learned to live with over the years and accept as part of its particular workaday world. On the other hand, a company executive made it unmistakably clear that the firm refuses to become financially involved in any of the freight it handles. ("We're purely a service organization.") At any rate, the extraordinary has become the ordinary; the unusual, the expected. And this accent on service, personalized in its utter sense, has swelled to encompass broader areas of company activity, including the enterprise's newest consolidation entity, Barnett International Airfreight Corporation — BIAC ("It's pronounced Bee-ack"), as it has come to be known.

Actually BIAC has possessed its Civil Aeronautics Board letter of registration since 1957. (This is apart from the senior organization's having been accredited by the International Air Transport Association, world airline organization, as one of the first cargo sales agents in the United States.) Most of the interim was spent in carefully laying the groundwork for the consolidation operation to come. It culminated in August, 1959, with a kick-off announcement in Chicago of a wide-range agreement between BIAC and Air Dispatch, Inc., Memphis-headquartered domestic air freight forwarder, whereby the operations of both companies were dovetailed to make possible single-document shipments from 16 points of origin in the United States to 123 points of destination abroad.

"The way we look at it, we are shipping consultants as much as we are shipping agents."

We once heard a business executive define an "old-line company" as one which entered into the Twentieth Century as a seasoned firm. If this is an accurate definition, then Barnett can wear the cap with aplomb. It was founded in New York in 1887—the year the Hwang-ho River overflowed its banks and drowned 900,000 Chinese, and two years before the disastrous Johnstown flood. The Union had only 39 States then, and the national population was something like 60 million, and Grover Cleveland was sitting in the White House.

In 1913 William H. Barnett joined the firm as export-import manager. He operated from a tiny office located in lower Manhattan's Beaver Street, hard by the docks and the Custom House. Barnett injected new life into the firm. It prospered with the acceleration of activity.

The year World War I ended, Barnett was appointed general manager. A couple of years later he acquired a small interest in the firm, and in the Thirties his partnership increased to

INTERNATIONAL AIR TRADE

By RICHARD MALKIN

50%. Less than a decade later the Barnetts purchased 100% control of the company. In 1947 the organization name made the final transition to Barnett International Forwarders, Inc.

While the forwarding company's growth had been steady since Bill Barnett's association with it, a West Coast office was not established until 1933—right in the midst of the now historic Bank Holiday ordered by Roosevelt. So for a time the office operated without benefit of a bank account.

If the inauguration of the Los Angeles facility took place under rather trying circumstances, with the United States lodged in the pit of its worst economic depression and stock brokers busily leaping from skyscraper windows, the new office bit in for keeps. Since 1935 it has been managed by Bill's brother, Lewis, a well-known figure in the film and transportation industries. His partner on the West Coast is Hector Santiestivan, who has been with the office since it opened its doors.

Changed Traffic

In the industry it is popular knowledge and virtually a byword that Barnett is the "king of the international film shippers." At one time this type of shipping formed the largest portion of the company's sources of revenue. Expansion of its interests and activities over the years has reduced the relative importance of motion picture (and that includes newsreel and TV) film traffic in the total Barnett picture, even though it still handles the lion's share of the overseas movements.

But the film business provided an excellent springboard to an operation which could not exist without a well-integrated world distribution setup, a thorough knowledge of each country's

A frequent scene at New York International Airport.

The Barnett tariff lists 123 foreign destinations.

Roessner

Frater

Friedman

Dorane

Matthiesen

Mercado

Broschart

documentation requirements, and a healthy respect for speed.

Bill Barnett's introduction to film shipping occurred in a rather informal manner back in the days when pictures were filmed in The Bronx, on Long Island, and at Fort Lee; when the nickelodeon was in vogue; and when Mary Pickford and Bill Hart were wowing audiences as The Girl With the Golden Curls and The Strong Silent Cowboy. A movie company representative, whom Bill Barnett knew on a social basis, waved a can of film, distractedly saying:

"Hey, how the hell do I get this to Germany?"

Chance Start

It was the innocent start of a new and lucrative international traffic—one which led naturally to the establishment of scores of overseas agencies to cope with the mushrooming motion picture industry and the steadily growing demand abroad for its products. And on this global network was superimposed the traffic of other industries, running the whole spectrum of manufactured products.

"I wonder if there's any commodity we *haven't* handled," Norman Barnett, the elder of Bill's two sons who run the shop these days, said. "We handle ounces at the same time we take care of tons. Big shipments? Well, there was that maternity hospital last year. Yes, sir, we shipped an entire maternity hospital to Caracas by air and sea. Unusual? No, not really. Not after so many years in the freight forwarding game. In the morning you insert your key in the lock, open the door, and you're apt to find most any kind of shipping instructions waiting for you: dentures to Nairobi, antibiotics to Calcutta, museum pieces to Sydney, electronic computers to Rio, jukeboxes to Rome."

Norman, who has spent virtually his entire professional career in the family business, is executive vice president of both BIFI and BIAC. He started in high-school days as a messenger. Now, a youthful 40, with a short-cropped receding hairline, he is distinguished by an easy command of speech and a polite but firm way of slicing to the heart of the matter without wasting time on preliminary peripheral talk.

A graduate of New York University with a B. S. in business administration specializing in international trade, he wound up shortly thereafter as a private in the Signal Corps. He was honorably discharged with the rank of captain in 1946. He returned to the company and promptly was elected secretary, and a year later he was elevated to the executive vice presidency while continuing in his former office. Norman is actively identified with industry affairs and serves on the boards of the Air Freight Forwarders Association and the International Airfreight Agents Association.

While Norman is primarily concerned with the export side of the Barnett companies, his younger brother, Alan, makes imports his province. Underscoring the happy business relationship between the two brothers is the fact that they share administration and sales functions.

Alan, an NYU alumnus like Norman (but, unlike the latter, via the University of North Carolina route), has a degree in commerce. His university career did not go uninterrupted. There was a war to be fought before receiving his degree. He joined the Merchant Marine, shipping out on tankers as warrant officer and purser.

In 1948 Alan became treasurer of BIFI; and with the incorporation of the air freight consolidation firm nine years later, he took over the presidency of BIAC.

Steeped in family tradition which is sodden to the core with world-wide shipping, Alan, at 33, is a veteran in his orbit. If his years with the company do not match those of others there, he has had the distinct advantage of having the subject and its myriad facets fed to him at home in huge spoonfuls. Thus, when he joined the firm a dozen years ago, he was no stumbling, bumbling novice in a bright new world. Long years of tabletalk at home had seen to that.

Integration in the fiber of the organization was a smooth and intrinsic process. Responsibilities descended on him with increasing frequency and weight. The breadth of his activities expanded. It was he who, five years ago, made the decision to put the Barnett office at Idlewild on a 'round-the-clock, seven-day-a-week basis.

"Any other type of operation was unrealistic," Alan said, explaining the move. "If we're selling speed of air transport, then we've got to give our clients speed on the ground as well. Shipments arriving on Sundays and holidays don't wait for Monday processing. Even if it means nightshift processing, the import documents are prepared in advance. When Customs opens on Monday morning, the import consignment is ready for immediate clearance."

Deadlines

The forwarding business, especially the air end of it, is one fraught with deadlines. Often its inexorable demands are calculated to induce a set of ulcers, recalling the old Army dictum: the difficult we do at once; the impossible will take us a little longer. For example:

Late one Friday night, an urgent transatlantic telephone message from Barnett's London agent tossed a scalding potato into Alan's lap: a shipment of special-type navigation equipment, consigned to a vessel in Montevideo, was on its way by air to New York.

"This is a super-special job, old chap," the agent said. "The shipment must be aboard the vessel by no later

than Tuesday. No ifs or buts about it. It *must* be there on time."

It developed that the ship was on a scientific mission and that its unswerving sailing date was Tuesday. If it left Montevideo without the special equipment, its activities would be considerably reduced. Furthermore, once it left the harbor it would be out of contact with land for a full month.

There was another hitch: although the shipment was not excessively heavy, its dimensions were unorthodox and the contents of the container extremely fragile.

Coordination

Alan moved into action. While an early direct flight to the Uruguayan capital was being tracked down—one capable of accommodating the shipment—Immediate Export papers were being prepared, based on information received over the transatlantic telephone.

A special crew was assigned to devote its total attention to the shipment. By the time it arrived on Saturday afternoon, a southbound plane had been located and the needed space booked. No time was lost in claiming the consignment and transferring it to the second aircraft.

"The special crew was not taken off duty until the plane was actually in the air," Alan said. "Only then did we call Montevideo and alert them. After that we felt free to cable London that the onforwarding job had been accomplished and that the equipment would reach destination on time."

One hears very much about "the young Barnett's" these days. But this does not mean that Barnett *père* has receded so far in the background that he has disappeared from the scene. As president and chairman of BIFI's board, he is still active in business affairs, although limiting his functions to participating in policy matters and high-echelon sales.

Because Barnett was a pioneer shipper of films, a commodity whose profit factor thrives on speed of distribution ("The faster they're shipped, the sooner they're exhibited and released to the next theatre"), it was as normal as apple pie to search for ever-faster means of transport. Thus the firm became one of the earliest users of air cargo—air express, in those days—expanding its use as the international air carriers expanded their routes.

"As a matter of fact, we were one of the first to open a customs brokerage office at La Guardia Airport," Norman asserted. "That was in '37 or '38, before the war, before the Port of New York Authority took over, before there was an Idlewild Airport around."

Then, on the foundation of its accumulated know-how, it was able to build a superstructure for other commodities which could move to distant lands by air.

Today 70% of the hundreds of different export commodities handled every week are equally divided between Europe and Latin America as destinations. Shipments to the Far East and Australia comprise 15% of the export tonnage, with Canada, Africa, and the Middle East each contributing 5%.

Inbound, 75% of the shipping weight cleared through customs by Barnett originate in Europe and the Middle East. The Far East and Australia send 15%, and Canada and Latin America the balance. The company's Import Department since 1955 has shown the most rapid rate of growth in the organization.

It is noteworthy that in the last five years Barnett's growth factor has been several times greater in inland United States than in the hectic New York area. At the present time approximately 25% of the export tonnage originates away from the East Coast, while some 60% of the import tonnage is destined to inland cities.

International Pipelines

Four offices form nuclei for Barnett's agencies which are scattered throughout the United States, serving importers and exporters in every key city. Through the home office in mid-Manhattan, there are pipelines to the numerous foreign agencies mentioned earlier in this article.

"About those agencies," Norman said, "I want to emphasize we're extremely particular about the firms we link up with. We concentrate on old-line firms—companies with traditions like our own. There are plenty of fly-by-nights around. We can't afford to take our chances with them. The basis of our sales policy is integrity, knowledge, experience. In fact, it's a Barnett motto, and we include it in our promotional literature. What I'm getting at is that we demand our agencies operate along identical principles."

The agencies are not left to vegetate, it was pointed out. One of the Barnetts goes abroad at least once a year. And the home office is in regular and frequent contact with its domestic agency representatives.

Rather high value is attached to customer relations. Whether this is by personal visit or telephone call ("Norman and Alan think nothing of calling a shipper in Podunk just to say, 'What's new?'"), salesmanship takes a back seat and gives way to the human touch. ("Sometimes all they want to talk about is golf or Mantle's batting average.") This procedure is one of the hand-downs from Bill Barnett which has been picked up whole by his two sons. Discussing his father, Norman said:

"If there is anything Alan and I have learned from dad, it is that in the forwarding business the personal touch is essential. It's fine landing a new client, but you must never become complacent about him. His needs must be constantly examined. When they change, your procedures must be revised to conform with his new demands. It's good business to serve your client and to study methods for further improving that service no matter how satisfactory it may appear to be. We know we're on the right track. A five-fold increase in the number of our accounts tells us we're on the beam."

In discussion there is evident pride in the assertion that the Barnett companies have a "fantastically low rate of personnel turnover." The top 15 people in New York have been with the organization for an average of about 17 years. In five of the seven departments, the heads have been with Barnett for at least 25 years, although they still are in their early middle age.

Key managers are: George Frater, Customs Department; Carl Matthiesen, Airport Customs Department; Alvin Friedman, Air Cargo Department; Eugene Roessner, Sales and Air Consolidation Department; David Mercado, Surface Export Department; Anthony Dorane, Surface Traffic Department; and Edward Broschart, Insurance and Collections Department.

In the New York metropolitan area half a dozen blue-and-white Barnett trucks—the paint job on each truck body simulates a huge package—operate to and from the airports and piers. This fleet is supplemented by leased vehicles as needed. Also there are six messengers who ply the streets, subways, and taxis of the city, picking up and delivering documents throughout each business day.

Custom-Tailored

Fluidity of organization has made it possible, when necessary, to build into a major shipper's operation a set of services tailored to individual specifications. It is not uncommon to have tie-lines with volume shippers. Teletyped progress reports may be classified as "ordinary procedure."

For some time Barnett had been keeping a weather eye cocked for another air freight forwarding firm that was "not competitive with us and had the same concept of doing business." Then Air Dispatch came along. The

ultimate Barnett-Air Dispatch deal was a big piece of industry news when the announcement was issued several months ago. It sent Norman scurrying to Europe twice in less than six months in order to prepare the Barnett agencies there for a new surge of consolidated air traffic. The heart of the pact was contained in this paragraph extracted from the official announcement issued jointly by Norman Barnett and M. H. Branden, president of Air Dispatch:

"A single invoice will include pick-up, documentation, domestic carriage, customs clearance at port of exit, and international carriage. It will also provide shipper-to-consignee, door-to-door insurance. It will enable shippers to make savings in paperwork, personnel, insurance, and other costs. . . . The alliance will permit a Texas instrument manufacturer, for example, to ship valuable devices to almost any point in the world on a single shipping document at less cost than it could have dispatched the shipment itself. Savings in paperwork might actually exceed the shipping costs."

At the moment, BIAC is represented by Air Dispatch at 16 of the latter's domestic offices. The number of offices will increase as consolidation operations abroad are expanded, probably this year.

The Future

When a broad symposium in *Air Transportation's* final issue for 1959 discussed air cargo's accomplishments and disappointments during the Fifties, and attempted to look into the crystal ball of the Sixties, Norman Barnett, as one of the executive participants, saw this brand new decade as one that will "prove to be the most constructive and expansive for the air cargo industry since it started." He indicated that his company was "underwriting this confidence . . . by the investment of funds, time, and energy." And he capped his own statement by concluding that by the end of the Sixties "we shall look back on these prophecies and judge them to be the understatement of the decade."

It is superfluous to point out that Norman, like Alan and their father, has a tremendous regard for the future of air cargo. But hand-in-hand with enthusiasm is a cautious approach to what it can and cannot do at the present stage of air cargo development.

"The worst thing you can do to its future is to oversell it today," Norman declared. "There is plenty of area for its profitable use by the shipper these days, and that area is steadily growing. But under certain conditions shipping by air is not advisable—at this moment, at least—and it is better for the air freight forwarder of integrity to bring this to his client's attention, even if it means a smaller margin of profit for the forwarder."

He reached for the telephone to answer a summoning buzz, then arrested his motion to make a final point:

"The way we look at it, we are shipping consultants as much as we are shipping agents. That's what Bill Barnett taught us." • • •

BIG BREAKTHROUGH

(Continued from Page 19)

Constant pressure of the airline industry to reduce military air transport activities is getting much attention at high levels in government. Railroad passenger business is rapidly declining and, as a result, there is less "head end"* capacity to carry expedited mail and express shipments. One of the immediate problems of the Post Office Department is to find new ways to ship some 25,000 tons of mail annually that has heretofore been moved by rail.

The long-standing effort of some airlines and air freight forwarders to sell "landed cost"† thinking to shippers is beginning to get attention from the executives of many manufacturing and producing enterprises. Further increases in distribution costs inevitably will come, and thus force these people to study this area even more intensively.

Another important factor in air cargo growth is the awareness that this nation no longer can afford to have large stocks of military items growing obsolete in storage depots throughout the world. Since these weapons of war constantly are undergoing change and improvement, through the billions of dollars that are being spent by the government to keep our military establishment as modern as our potential enemies, this will be an important factor in air cargo development. Even though the sizes of our forces are reduced, this modern concept of eliminating overseas depots and resupplying field units directly from the United States will necessitate large increases in air movement.

Surface rates for many items have more than doubled during the past decade, and there are indications that the upward trend will continue, particularly for small shipments. Air freight rates, on the other hand, have held their own or declined slightly during the same period.

These and other factors are given serious consideration by the forecasters who bespeak a brilliant future for the air freight industry.

To the top corporate planner in the air cargo industry, the period immedi-

* "Head end" traffic is the mail, express, and freight that is carried in baggage cars at the front of passenger trains.

† "Landed" or total distribution cost thinking connotes that the shipper should consider all costs such as warehousing, transportation, wholesaling, interest and insurance charges, and packaging in choosing one form of transportation over another. Because of lower "pipe line" costs, air movement sometimes has a price advantage over surface costs when these factors are analyzed.

ately ahead is one of many difficult decisions. Decision makers, of necessity, rely heavily on historical accounting and statistical data. In a recent article, Dr. Harold Koontz made this observation:

"One can hardly deny that the alert manager would prefer a forecast of what will happen on the execution of a given plan, even though this projection has a margin of error in it, to a decimately accurate report of the past, about which he can do nothing."

There is no denying that the historical data on the air cargo industry are dismal and that the forecasts of the past have contained much more than a reasonable "margin of error."

Greater Task

In many ways, the corporate planner in the airline industry has a much more difficult task than in most other industries. This is especially true in looking at the future of air freight. Commitments for purchase of new equipment from aircraft manufacturers must be consummated years in advance in this industry in which the federal government is spending millions of dollars for research and development. As a result, any vehicle that is purchased today may be thoroughly outmoded before it is delivered.

The air freight business of the future will be quite different from that of the past. The breakthrough period of the immediate future poses many problems that must be solved intelligently if the industry is to realize anywhere near the potential that is forecast. A whole new management philosophy and system for the movement of freight through the air must be developed before operators can capitalize on the airplane as a routine form of transportation, rather than the specialized mover of emergency freight and small packages it is today.

There is no way to jump from 500 million to two billion ton-miles of movement in a single year. Likewise, no airline can make the transition from a fleet of piston-engined aircraft in cargo service to a comparable number of pure jet planes in a matter of months. One major reason for the evolution, rather than a revolution, lies in the inability of the airlines to absorb growth too rapidly. In addition, there are other factors in this transition period that will require time to move from one phase to the next.

A piston-engined airplane hauling 15 tons at 300 miles an hour with annual utilization of 3,000 hours moves 13.5 million ton-miles each year. A jet moving 40 tons at 500 miles an hour and the same annual utilization will haul 60 million ton-miles. This one jet does the work of nearly 4½ piston-engined planes; the 4½ piston aircraft will cover more than four million airplane miles while the jet can cover only 1.5 million in a year's time. Since frequency of service over route patterns is of some concern to the shipping public, this problem must be properly evaluated.

Most managers in the airline industry are looking at two phases of their equipment problem during the breakthrough period. The first phase is one in which they are considering interim aircraft that will give them increased capacity at reduced costs without sacrificing frequency of service. This is a step in the evolutionary process. Frequency of service must not be sacrificed, but at the same time capacity and tonnage must be increased rapidly in order to make the next step. The interim turboprop aircraft that are being purchased, and the piston-engined planes being modified for cargo may temporarily hold back the transition to pure jets and larger more economical turboprops for three to five years, but the ordering of these craft will occur during the breakthrough period.

In the meantime, there are many other aspects of this breakthrough period starting in 1960 that will occupy the attention of management in those airlines vitally interested in cargo.

Among the first to be attacked will be costing and pricing philosophy. Since the price charged for transportation services is a function of cost but should not necessarily be related thereto, costing freight transportation should receive careful scrutiny. Once again, there will be a tendency on the part of planners to be tied to historical data developed by the accountants and the statisticians. In order to maximize profits in the future, however, a new approach to both pricing and costing must be developed.

Cost-Ignorance

Virtually no one in the airline industry knows the direct costs of handling a piece of freight. The practice is to interpret meaningless average costs as a sort of imaginary standard and use this as a criterion. Little cost distinction is made between the freight moved in cargo pits of combination planes and that carried on all-cargo craft. Little data is available on differences in cost for handling various sizes of shipments or differences in cost at various stations. Cost analysis of the various functions connected with freight movement—such as pickup and delivery, billing, loading and unloading, claims, and others—are very difficult to obtain. Many companies have no such breakdown; in others, this information is as closely guarded as the list of stockholders or the president's expense account.

There is even more confusion in indirect costs, particularly in carriers hauling both freight and passengers. Normal practice is to develop a rule-of-thumb formula at one time and then stick with it. For instance, since indirect costs are about equal to direct costs in the passenger business, there is a solid belief in the airline industry that must also be true of the freight business. Understandably, there are many arguments about the propriety of this methodology. Again, however, there can be little criticism of this facet of airline management in the past, because the freight business has not been profitable. If it is to be a significant segment of this industry in the future, however, accurate costs that can be projected into future operations must be developed.

Philosophy vs. Cost

The battle of cost confusion is already starting, as competing companies with different philosophies of approaching breakthrough period "square off" in the arena. The two largest movers of domestic air freight are direct competitors. One is a combination carrier that has chosen to convert piston-engined airplanes to build capacity for the breakthrough; the other is an all-cargo carrier which decided to buy new turboprop craft as interim airplanes. In a recent article, the president of the all-cargo line was quoted as having projected his indirect cost to be 55% of direct for the breakthrough period from 1961 through mid 1964. An official of the competing combination carrier was quoted as having said that he believed that direct operating cost might go as low as 30-40% of indirect costs as aircraft became more economical and ground handling systems more complex and expensive. This same official went on to say: "With the DC-7F, direct costs may be 45-55%." Taking only this last statement and comparing it with the statement of the cargo carrier, we find two completely opposite points of view. One official says indirect will be 55% of direct, and the other says that direct will be 55% of indirect. Who is right? The total cost derived is quite different in each instance, and, since total cost has a very important bearing on the price these carriers must get for their services, their approaches to the establishment of rates must be widely separated.

One of the assumed benefits of the big buildup in air cargo will be the economies of scale that result. The spreading of fixed and overhead costs

over a much larger number of units certainly would change the relationship between direct and indirect costs if the price structure remained the same. There is, however, little doubt that this new era will bring about drastic changes in the air cargo pricing philosophy of the air carriers.

Increasing volume through reduced rates that can result from the operation of the more economical aircraft that are forthcoming will not necessarily result in profits to the operators. Maximizing profits in transportation results from a scientifically conceived and properly managed differential pricing structure. It is easy to build up tonnage and even revenues by reducing rates, but the maximization of revenues or tonnage does not necessarily result in increased profits. The railroad industry has learned this all too late from a properly conceived, but poorly managed, rate complex.

Elastic Curve

The demand curve for transportation services in general is highly elastic. There is, however, some doubt about the degree of elasticity of demand for transportation of the many high-value items that the air carrier will be able to attract. Most of these individual product transportation demand curves may be highly inelastic. Whatever the assumption, however, the course of action for the air carriers may be the same. In the total sense, the volume attracted to the air carriers is to a large extent dependent on the price charged for services. This is not, however, true in the particular sense.

A careful evalution of the present pricing structure, by management in the air cargo industry, will prove that this is one of the more complex problems that needs immediate attention if this industry is to be assured financial health during the buildup into the breakthrough period. Putting off this program can be ruinous to the entire business.

There is very little managerial discretion that can now be exercised in the pricing of transportation services for individual commodities moving by air freight. The minimum rate order of the Civil Aeronautics Board that was handed down on April 21, 1948, has effectively established the lower limit of freight rates. Economic and competitive factors have set the upper limit not too far above this floor.

There are many approaches to pricing, but a basic issue is costs, and substantial agreement must be reached on an approach to costing before a proper rate structure for air cargo can be established.

The present approach to pricing air freight transportation is entirely inadequate because very little managerial discretion is or can be exercised. The aircraft of the future will undoubtedly be more economical to operate than those of 1948, when a minimum rate order, presumably tied to costs, set a floor for rate-making. There will be much pressure to lower the floor in the near future, but how far it will go depends upon how much freedom airline management would like to have in setting rates. A lot of freedom can be a very useful tool in the accomplishment of the management objective of maximizing profits. This same tool can be very destructive insofar as the individual firm is concerned, and, in fact, the whole industry, if this tool is left in the hands of imprudent people who do not have proper perspective.

The two major factors that must be considered in establishing a scientifically conceived pricing structure are elasticity of demand and intermodal competition. In both of these considerations, time utility is a primary factor in exploiting the advantages of the airplane as a freight vehicle. The difficulty of measuring these factors cannot be overestimated, but this will be a necessary part of establishing proper rate relationships for various products and markets.

One of the very serious limitations to the present air freight rate structure is that it has very little in the way of sound principles or theory to it. This rate structure was originally patterned from express rates and has evolved from intra-agency competition. In the future the pricing practices of surface carriers must be prime considerations. A brief analysis of one small segment of the present rate structure reveals some of the serious weaknesses that should be given attention if the air cargo industry is to prosper. Table III shows a comparison between Group 101 air freight rates from New York to Los Angeles and motor carrier less-than-truckload class rates (*Page 30*).

The table does not reflect all of the exceptions and rules that might apply, nor does it show specific commodity rates that apply to these products either for motor or air movement. The purpose of the table is to show general relationships.

New Structure Needed

This brief analysis gives no indication that consideration is being given either to intermodal competition or elasticity of demand in pricing air freight. The differential pricing structure used by the motor carriers has been adopted from the railroad industry and was conceived over a period of 100 years of pricing transportation services. To many it is archiac and needs modernization, but no student of transportation pricing will deny that it is sound in theory. The motor carrier rates in Table III vary from 21.4% to 170.8% of the rates being charged by the airlines. This, in itself, is an indication that the air carriers will be unable to compete with surface transportation no matter how efficient their craft is, unless they develop a competitive pricing structure. Competitive pricing does not mean charging the same rates. For many products, the airlines may be able to attract the traffic at

TABLE III

Comparison Between Rates for Selected Commodities in Group 101* with Motor Carrier Less Truck Load Class Rates, New York to Los Angeles

Commodity	Group 101 per 100#	LTL Rating	LTL Rate per 100#	Percent LTL Rate is of Air Freight Rate
X-ray tubes	26.60	400	45.44	170.8
Fur wearing apparel	26.60	300	34.08	128.0
Models, scale	26.60	200	22.72	85.4
Automobile doors	26.60	150	17.04	64.1
Clocks, NOI	26.60	125	14.20	53.4
Electric Appliances, NOI	26.60	100	11.36	42.7
Refrigators, NOI	26.60	92½	10.51	39.5
Aluminum Bars or Rods	26.60	85	9.66	36.3
Cotton wearing apparel	26.60	77½	8.80	33.1
Carbon paper	26.60	70	7.95	29.9
Asbestos wallboard	26.60	65	7.38	27.7
Brass Forgings	26.60	60	6.82	25.6
Abrasives	26.60	55	6.25	23.5
Iron Bars or Rods	26.60	50	5.68	21.4

* Many commodities are grouped together for rate-making purposes in the domestic air cargo tariff. Group 101 is one of the larger groupings.

much higher rates, and, in other instances, the rates will have to be nearly the same. In all cases, the air freight carriers must engineer maximum flexibility into their pricing structure in order to exploit the demand for transportation of a great variety of commodities in many pairs of markets.

The air cargo business of the future will be quite different from today. The present concept is that of a small package express business. To a large extent, shipments are of an emergency nature that must be moved at the last possible minute and must arrive at destination as soon as possible. Nearly all shippers regard air carriage as premium service.

Coming Rate Cuts

Air carriers talk about cutting rates by 30% to 50% with planes that can be procured within the next few years. This will mean a new concept of shipping for users. Air movement will then be directly competitive with surface for many products. The added advantage of speed will make it unnecessary to lower rates to the exact level of truck or railroads. As soon as shippers are able to get reliable, routine air service at a comparable cost, they will use air carriage routinely. Except for a small portion of the total business, they will not expect to get their merchandise delivered from coast to coast in a matter of hours. Dependable second-morning delivery will be adequate for the most part. This means that the air carrier will be able to operate much more efficiently and with higher cargo load factors than he is operating today. Backlogs of freight in highly-mechanized terminals will enable carriers to move with load factors of nearly 100% on many flights. The key to success in this period will be organization and management of the assembly, terminal handling, loading, unloading, and distribution functions of the flow of goods from consignor to consignee.

The ground handling activities of the air carriers during this breakthrough period should occupy a substantial amount of attention of top management. This phase of freight movement is where small reductions in unit costs result in very large returns in the profit column of the companies' financial statement. Maximum efficiency in ground handling calls for heavy expenditures of capital and as yet there is no clear solution to the problem of procuring the necessary money.

Efficient mechanized terminals to handle the large volume of freight that will be generated can be developed individually or jointly by the air carriers or by the airport operators. Many airports are still five to 10 years behind in their passenger terminal building programs, and that traffic is developing so very rapidly that they are likely to stay behind for some time to come. Very few airport-owned freight terminals in existence in the United States will likely be adequate for the next three to five years. Acquisition of sites and construction of these facilities take years of planning. If the airlines expect airports to provide these facilities, they must know what is needed and start immediately to urge that properly designed terminals be provided.

The operators who plan to construct their own terminals or share them with others must also concern themselves with problems of acquiring sites that are adequate for the kinds of terminals that will handle the volume of traffic that can be anticipated for many years to come. Once a terminal is constructed, it may be very difficult to make a move in five or 10 years, should the facilities prove to be inadequate. This kind of long-range planning will be a most difficult task for the corporate executive.

Most operators agree that a completely mechanized loading system is one solution to getting maximum utilization from expensive aircraft, yet no single system has been devised to fit all existing aircraft or planes that are now being offered. A substantial amount of engineering effort is being expended by manufacturers to design a true air freight system for tomorrow. Any system that is adequate today may be useless in the next era of cargo airplanes, and systems are expensive to develop.

These are but a few of the very complex problems that require solutions in the breakthrough period for large volume air freight movement. Airline management is understandably cautious in approaching this period, but the "bulls" who see only the clear skies beyond have, as always, difficulty in understanding the "bears."

Potential Exists

Undoubtedly, the potential for movement of the billions of ton-miles that have been forecast for air carriage really exists. The forecasts are based to a large extent on the economics of freight-carrying airplanes that have yet to be built. The question of how soon these airplanes will be in operation still depends to a large extent on federal government programs and policies.

The speeds and capabilities of tactical and strategic aircraft far surpass those of the support-type planes. The support- or lift-type aircraft must be modernized, but herein lies a serious dilemma that is still to be fully resolved. This is the role of the Military Air Transport Service. Commercial carriers seem to be winning the battle to carry much of the military traffic that would seem to be commercially oriented. This may mean a lesser but still important role for MATS.

In any event, the military is moving toward design and construction of at least two and possibly as many as four or five new cargo or combination-type craft. Short take-off and vertical lift types of planes are two types that are undergoing rapid change and will get increasing attention. Modern, efficient, short to medium and long range aircraft for both cargo and personnel are the craft that will be required of the next few years.

In any new design, millions of dollars of engineering and developmental costs must be expended for the first unit. When these costs can be spread over 100 or 1,000 planes, the unit costs and resultant operating economies are substantial.

Operators of cargo aircraft will remain reluctant to purchase anything but the interim planes now being produced until the military makes a deci-

sion and places orders for the support craft that are needed for their requirements. The whole problem of the needs of military and commercial users for cargo-type planes is being studied seriously by the Federal Aviation Agency, and recommendations may be forthcoming shortly. Legislation was introduced in the last Congress that might push air cargo development rapidly into the breakthrough period. Although defeated in the first round, additional, better researched, and planned efforts will be forthcoming in the 1960 session.

Once again, the finger of caution is waved in front of many of the operators who might otherwise jump wholeheartedly into what appears to be the biggest development of recent aviation history.

As all of the forecasts show, traffic growth is tied to rates charged by the air carriers. Even though the newer turboprop and pure jet aircraft show promise of reduced costs, the matter of reducing rates rests to a large extent with the Civil Aeronautics Board. The operators of less efficient piston engined airplanes must resist the drastic reductions in rates that may be proposed by companies with the newer planes. The Board clearly has the power to authorize the establishment of any kind of a pricing structure that will encourage the future development of this kind of air commerce. The extent to which they choose to protect one group of carriers against price cutting and deny others the benefit of capitalizing on the benefits of technological progress will undoubtedly depend upon the speed with which the airline industry is willing and able to move into large-scale air freight transportation. The transitionary aspects of the period immediately ahead will require careful analysis on the part of CAB. It may be that the slowness with which this regulatory agency traditionally moves will give the companies sufficient time to re-equip once the first of the turboprop and jet operators develops reliable service programs and cost data. There is little doubt but what aircraft manufacturers will be able to turn out aircraft of current design hurriedly in the period 1961-1964 because these are years that now look somewhat bleak to plane builders now making large combination craft. The CAB may adopt a cautious attitude toward the first operators proposing wholesale reductions in freight rates but this can last but a short time in view of the changes that will occur in airline management attitude and fleet capabilities insofar as future air freight developments are concerned.

Summary and Conclusions

▶ The big breakthrough in air freight will start by mid-1960 and continue into 1964. After that time many of the very large problems that will tend to hold down rates of growth to 20% to 25% per year will have been solved.

▶ Major problems for the air carriers during the period are development of proper facilities, changes in management attitudes toward air freight, and the adoption of new concepts of pricing and costing these services.

▶ Interim aircraft of converted piston types and small turboprops will be useful to build capacity during this breakthrough period. The rapid build-up in capacity will result in greater efforts to develop the air freight business on the part of airline operators. These efforts will be necessary to develop the amount of business necessary to justify the transition to the large, long range turboprop and pure jet freighters that will be offered by manufacturers for delivery toward the end of the breakthrough period.

▶ Ground handling methods must be improved and costs reduced through development of loading systems and mechanized terminals. This will require careful long range planning and the expenditure of many millions of dollars.

▶ Airline management must take a good look at present concepts of freight movement followed by surface carriers. The large volume is in freight moving from producers to consumers on a routine basis. The speed of the airplane gives it many advantages over trucks and railroads. The air freight business of the future will no longer be the emergency express business it is today. Once volume movement is developed, operators can schedule planes to work against a backlog of freight with resultant high load factors and reduced costs.

▶ Careful cost studies must be made of all aspects of moving freight. These costs will be important in establishing rates, but the rates must not be tied directly to costs. In order to maximize profits, a complex differential pricing structure should be carefully studied and sound theoretical concepts should be applied to a new system of rate making.

▶ Federal government agencies will play a large role in the future development of air cargo transportation. The Post Office is studying programs to move substantial additional quantities of mail on a routine basis by air. The Federal Aviation Agency and the Department of Defense are encouraging the development of new designs for modern cargo airplanes. Congressmen have become interested in sponsoring legislation to guarantee loans to purchasers of cargo aircraft. The CAB has expressed much interest in air cargo development and soon will be called upon to review air freight rates.

▶ Many of these complex problems should be solved by 1964 after which this industry should move ahead as rapidly as it can reasonably absorb growth. • • •

FACTS & FIGURES

UNITED STATES AIRLINES

ALLEGHENY

Freight and express—October cargo traffic reached an all-time high, topping a million pounds for the first time. No specific figures were reported.

AMERICAN

Freight—October was another record-breaker, with 10¼ million ton-miles chalked up. This established a new monthly high for the domestic industry as well.

DELTA

Freight—For the first time in company history, the Atlanta-based carrier went beyond the five million-ton-mile mark. The fourth consecutive month that new air freight records have been set, Delta registered 5,140,451 pounds in October.

RIDDLE

The all-cargo airline's operating profit from common carriage in October amounted to $18,518, the first profitable month in four years. Net profit was $3,163.

TRANS-TEXAS

Freight — Forty-six thousand ton-miles were flown in October, as against 30,677 ton-miles in October, 1958.

Express—October showed a 41% increase over the same month a year ago, with 13,470 ton-miles registered.

UNITED

Freight—October ton-miles, at 6,698,000, were 7% below the previous October's total.

Express—Express, at 1,073,000 ton-miles, dropped 6%.

FOREIGN AIRLINES

BEA

Freight—A total of 1,288,800 ton-miles was flown in September, rising 29.79% over the September, 1958, figure.

KLM

Freight—The first nine months of 1959 showed a 28% jump in North Atlantic tonnage over the similar three quarters of 1958. The third quarter (KLM's off season) produced an 11.5% increase. With 18.2% of the share of freight flown over the North Atlantic, KLM ranked third among all the carriers on this run.

CAB

FTL WINS TRUCKING RIGHTS

Flying Tiger Line, transcontinental all-cargo airline, has been approved by the Civil Aeronautics Board to replace air transportation with highway transportation between specified airports. However, it questioned whether one of the truck hauls (Philadelphia-Newark) "should be considered as incidental to air transportation within the meaning of the Interstate Commerce Act, and thereby exempt from economic regulation under that statute," and indicated it was a matter for the Interstate Commerce Commission to decide.

The proceeding developed from FTL's filing of notices of its intention to serve Philadelphia through Newark Airport, Milwaukee through Chicago Midway Airport, Buffalo through Hopkins Municipal Airport (Cleveland) and/or Broome County Airport (Binghamton), and Rochester through Hopkins Municipal Airport. The proposed services were to be in lieu of the service then being rendered to Philadelphia through Philadelphia International Airport, Milwaukee through General Mitchell Field (Milwaukee), and Buffalo and Rochester through Buffalo Municipal Airport.

Examiner Edward T. Stodola, in his initial decision, found that "services to each of the four cities through the airports proposed in the notices (a) would constitute adequate service under FTL's certificate of public convenience and necessity, and (b) would not be adverse to the public interest." He recommended that the Board require the airline to publish and file amended tariff provisions "reflecting the exact nature of the service by truck through the specified airports."

In its decision, the Board said in part:

"Under the Board's customary practice, extending back to the issuance of the original "grandfather" certificates, of designating as points in certificates of public convenience and necessity issued by it the specific communities to be served, rather than the airports through which the service shall be rendered, there necessarily arises in every instance the problem of moving the traffic between the community and the aircraft that will actually perform the air haul.

"In most cases, particularly where the transportation of passengers is involved, no question arises as to the airport that should be used for the reason that there is usually some airport located close to the designated community which is the logical landing area through which to serve the point, and may be the only airport through which service can conveniently be offered. However, this is not always true and there may be situations in which the airport closest to the community will not be as desirable for serving the point as will some other aircraft located a greater distance away.

"It has never been suggested that the availability of an airport located nearer to the certificated community than is the second airport actually being used in and of itself causes the service to lose its character as air transportation to the certificated point. And we can perceive of no sound reason why this should be deemed to have occurred merely because the airport being used is situated close to a second certificated community. We are satisfied that the determination of whether service to a certificated point through a particular airport constitutes air transportation to that point within the meaning of the Act and the carrier's certificate of public convenience and necessity depends upon all the facts and circumstances in each particular case, including such matters as general practices in the industry; the distance of the airport from the community to be served; the availability of other airports; the speed, convenience, and frequency of the service that can be offered to the community through one or the other airport; the relative cost to the carrier of serving the community through the available airports, etc.

"On the facts before us and in the circumstances of this case we find that the service proposed by Tigers will constitute air transportation and will not be adverse to the public interest. It is clear from the evidence which has been presented that Flying Tiger's proposed operation will make available to the shipper faster deliveries and greater daily available lift than it would be economically feasible to offer in a direct operation, and will at the same time permit Tiger to realize substantial operational economies. Under these circumstances we would be loath to prevent the operation except in the face of compelling considerations. We find no such considerations here. We should add that we are not undertaking in this case to mark out the precise circumstances in which service by an air carrier involving a surface haul should be deemed to be air transportation. We only find in passing upon Tiger's notices under the Board's airport regulations that Tiger in performing the proposed services will be furnishing air transportation as required by its certificate.

"In conclusion, one further matter should be mentioned. Philadelphia makes the subsidiary argument that the Philadelphia-Newark truck haul is subject to the jurisdiction of the Interstate Commerce Commission. Our finding goes no further than that Flying Tiger Line's proposed service will, as to it, constitute air transportation and that in rendering service through the airports proposed Flying Tiger Line will be fulfilling its obligations under its certificate. We are not asserting jurisdiction over the motor carrier as an air carrier nor are we determining the status of the truck operation under the Interstate Commerce Act. Whether the Philadelphia-Newark truck haul should be considered as incidental to air transportation within the meaning of the Interstate Commerce Act, and thereby exempt from economic regulation under that statute, is a matter for the Interstate Commerce Commission. We do not intend that our action here should influence what that decision should be. If the Commission should conclude under the standards normally applied by it that the truck operation is not exempt, the trucker must have or obtain the requisite I.C.C. authority in order for Flying Tiger Line to operate in the manner it proposes.

"We have examined the remaining exceptions to the Initial Decision and find that they should not alter our decision herein. In view of all the foregoing, we find:

▶ "That the proposed air-truck service by FTL to and from the cities of Philadelphia, Buffalo, Rochester, and Milwaukee is not adverse to the public interest;

▶ "That the application of FTL to provide such service should be approved; and

▶ "That FTL's published tariffs with respect to service to Philadelphia, Buffalo, Rochester, and Milwaukee should disclose the fact that a portion of the cargo movement is to be achieved by truck.

BWIA PERMIT AMENDED

Following the recommendation of the Civil Aeronautics Board, President Eisenhower approved amendment of British West Indian Airways' foreign air carrier permit. The new permit allows the fol-

▶ Between the co-terminal points of Trinidad, Jamaica and Cayman Islands, West Indies; British Guiana, and British

Honduras; the intermediate points of Barbados, Grenada, Antigua and St. Kitts, West Indies; St. Thomas, Virgin Islands; San Juan, Puerto Rico; Ciudad Trujillo, Dominican Republic; Port-au-Prince, Haiti; Jamaica, West Indies; Cuba; Nassau; Bahama Islands, and Bermuda, and the terminal point of Miami.

◀ Between the terminal point of Barbados, West Indies, and the terminal point of New York City.

◀ Between the terminal point of London; the intermediate points of Shannon, Eire; Iceland; the Azores; Bermuda; Gander, Newfoundland, and Montreal, Canada, and the terminal point of New York City, and beyond New York to the terminal point of Jamaica, West Indies.

The permit also authorizes BWIA to engage in charter trips in foreign air transportation.

CATA RATES EXTENDED

March 15 is the new deadline of the cargo rate agreement among member carriers of the Caribbean Air Transport Association. The Civil Aeronautics Board, announcing its approval of the extension, stated that the agreement does not "constitute approval of any subsequent rate discussions between the signatories."

LEBCA WINS PERMIT

Linea Expresa Bolivar, C.A., of Venezuela, has been granted a foreign air carrier permit authorizing it to operate between that country and Miami, via the Netherlands West Indies and Jamaica. Off-route charter rights are included.

PAA "CONTROL" OF NAL HIT

CAB Examiner Leslie G. Donahue, while recommending the approval of the aircraft-lease deals between Pan American World Airways and National Airlines, has turned thumbs down on an option and stock pact which would give Pan Am control of National. Pan Am owns approximately 25% of National's stock and has option for the acquisition of additional common stock up to a quarter-million shares. The examiner saw eventual danger of direct control of National by the big international airline. This, he said, would create a monopoly, restrain competition, and be detrimental to other air carriers.

SHULMAN TOLD TO DESIST

Shulman, Inc., Philadelphia-headquartered air freight forwarder, has been ordered by the Civil Aeronautics Board to "cease and desist from violating certain provisions of the Federal Aviation Act and the Board's Economic Regulations. Four members of the Board—the chairman did not participate—concurred in an opinion which found:

"1. The respondent, since at least as early as June 1957, has violated and up to the date of the hearing, August 18, 1958, was continuing to violate Section 296.5 of the Board's Economic Regulations in failing to pay, to a direct air carrier, transportation charged within seven days after freight bills therefor are rendered;

"2. The respondent, for a period of at least three months in 1956 and 1957, violated Sections 403(a) and 403(b) of the Act, by providing, for its shippers, free telephone service between Los Angeles and New York City

"3. The respondent, for a period of at least from September 1956 to March 1957, violated Section 403(b) of the Act by providing free assembly service for its shippers;

"4. The respondent, for a period at least from November 1956 to February 1958, violated Section 403(b) of the Act by assessing valuation charges to shippers contrary to those provided for in its tariffs;

"5. The respondent, for a period at least from January 1957 through March 1957, violated Section 403(b) of the Act by assessing charges for both regular pick-up and city terminal services;

"6. All of the above violations were knowing and willful; and

"7. The respondent should be ordered to cease and desist from violating Sections 403(a) and 403(b) of the Act, and Section 296.5 of the Economic Regulations, in the foregoing and all other respects."

FLOWER SHIPPERS COMPLAIN

The California Floral Traffic Conference, whose membership consists of 28 wholesale florist concerns, has filed with the Civil Aeronautics Board a complaint against 29 scheduled airlines and two air freight forwarding firms. Nine florists have entered their names as complainants.

The florists are asking the Board to require the airlines and forwarders to remove provisions of their tariffs which they call unlawful, that it "prescribe reasonable rules and regulations in the premises," and that the flower shippers "have such other and further relief as may be appropriate." They claim that "the air carriers publish and maintain in said tariff certain classifications, rules, regulations and practices which are unjust and unreasonable in violation of Title 49, USCA Section 1374(a), and certain descriptions of traffic in air transportation to unjust discrimination and to undue and unreasonable prejudice and disadvantage in violation of Title 49, USCA Section 1374(b)." They further say that two forwarders named in their complaint—Airborne Freight Corp. and Shulman, Inc.—"have published in their respective tariffs . . . rules of like wording and import and said rules are in like manner unjust and unreasonable . . . and in like manner subject certain shipments to undue and unreasonable discrimination and undue and unreasonable prejudice and disadvantage."

MAIL

NEW PITNEY-BOWES UNIT

Pitney-Bowes, Inc., recently introduced at the American Stamp Dealers Association show a production model of a new automatic "facing and canceling" machine, designed "to help break one of the worst bottlenecks in the United States Postal Service. The electronic device handles 500 letters per minute, eliminating hand operations by accommodating letters of any length. The Post Office Department has ordered 75 such units.

GROUND SERVICES

ACI BACKS CONTRACTORS

Air Cargo, Inc., ground service organization of the United States scheduled airlines, has inaugurated a campaign to "bring about increased recognition" of its cartage contractors. It will attempt to induce the air carriers to make greater use of their own pickup services. This, it is said, will "insure the retention and control of traffic," relieve congestion at airport docks and freight facilities, and provide greater convenience to shippers.

CLUB NEWS

Traffic Club of St. Louis: Col. J. R. Messersmith (U.S. Army), regional manager of the central traffic region of the Military Traffic Management Agency, was principal speaker at the Military Affairs Day luncheon held on December 7 in the Sheraton-Jefferson Hotel.

Portland (Ore.) Transportation Club: The following officers and directors are being installed at the installation banquet on January 15 at the Sheraton Hotel, which is being held jointly with the Portland Industrial Traffic Club: James G. Manning (West Coast Lumbermen's Association), president; Vernon M. Smith (Best Way Motor Freight), vice-president; C. W. Laird (Canadian Pacific Railway), secretary; H. R. McNally (Santa Fe Railway), treasurer; C. Russell McLellan (Northwestern Transfer), treasurer; Ellis W. Layne (American Mail Line), C. A. Nelson (Boise Cascade Corp.), and C. Russell McLellan (Northwestern Transfer), directors.

Traffic Club of Washington, D. C.: The Ladies Night dinner-dance was held on December 5 at the Presidential Arms.

Traffic Club of New York: A testimonial luncheon was held last month in the Commodore Hotel in honor of Horace

H. Huston, general traffic manager of the American Can Co.

Central Arkansas Traffic Club: The seventh annual meeting and dinner-dance was held last month in the Lafayette Hotel. The following officers had previously been elected: V. Leo Johnson (Minnesota Mining & Manufacturing Co.), president; W. H. Crow, Jr. (Southern Pacific Lines), first vice president; E. A. Gwin (East Texas Motor Freight), second vice president; and C. J. Mueller (Superior Fowarding Co.), reelected secretary-treasurer. The retiring president, A. L. Overton (Campbell "66" Express), became a member of the board.

Traffic Club of Minneapolis: Dr. Tennyson Guyer, director of public relations of Cooper Tire & Rubber Co., spoke on *New Frontiers* at the 44th annual dinner held last month.

Transportation Club of Louisville: At the annual dinner on December 8 in the Kentucky Hotel, Senator Thruston Morton, chairman of the National Republican Party was the principal speaker.

FORWARDERS

NEW AEIC PACIFIC TARIFF

Air Express International Corp. has introduced its new transpacific tariff which, according to Stanley D. Ver Nooy, vice president-traffic, offers to shippers rates lower in most cases than the newly reduced rates of the airlines. Also included in the new AEIC tariff are additional weight breaks.

Ver Nooy
AEIC

Ver Nooy pointed out that a shipment of up to 99 pounds, moving from New York to Tokyo under the new tariff, will be flown to destination at a rate 25% under AEIC's former lower-than-airline rate, and approximately 12% below the airlines newly reduced rate. The same shipment, flown from San Francisco to Manila, will move at a rate 19% below AEIC's former rate, and 12% under that of the airlines. Ver Nooy said that "for shipments of 1,100 pounds and more, our rate reductions range from 42% below the former AEIC rate to as high as 55%."

The new transpacific tariff affects shipments on the North and Central Pacific runs. AEIC weight levels are as follows: 1-99 pounds; 100-439 pounds; 440,549 pounds; 550-1,099 pounds; 1,100-2,499 pounds; 2,500-5,499 pounds; 5,500-21,999 pounds; 22,000 pounds and over.

EMERY AND A MOVIE

Emery Air Freight Corp.'s newsletter reveals that the company played an important role in the filming of the hit movie, *Anatomy of a Murder*. Problem: getting the exposed film from Ishpeming, Mich., where the picture was shot, to Los Angeles for processing, and back to location for examination by Producer Otto Preminger. Says the newsletter:

"Substandard scenes, he knew, would have to be redone. The speed with which the rushes were returned would count heavily in the cost of the film. Actors on location get paid whether they're idle or on camera. Mr. Preminger personally chose Emery to solve the problem, and this plan evolved:

"Each evening the day's rushes were put on the 7:30 p.m. Chicago & Northwestern train for Chicago. When the train left Ishpeming, a telephone call alerted Emery people in Chicago. Emery met the train in Chicago, rushed the shipment to Midway Airport, and placed it aboard the first available flight to Los Angeles. When the shipment was aloft, Emery's teletype alerted Los Angeles. A truck met the plane and sped the shipment to a laboratory. Once the film was processed, the shipping plan was run in reverse.

"It was a huge success. Forty-four shipments of rushes were handled as planned, along with a number of other urgently needed shipments of equipment. One of these included the special typewriter for Joseph Welch, which was mentioned in the *Life* article on *Murder*."

AMERICAN SHIPPERS HIT

A civil court has found that American Shippers, Inc., Los Angeles air freight forwarding firm, guilty of 15 violations of the Federal Aviation Act and Uniform Bill of Lading Act. A fine of $10,500 was levied on the company, based on $700 per count. CAB compliance attorneys had charged a total of 62 counts.

AFFA DINNER APRIL 8

The Air Freight Forwarders Association Third Annual Dinner has been set for April 8. Place: Sert Room, Waldorf-Astoria Hotel, New York. According to T. D. Griffin, president, "a most interesting panel of speakers representing Government agencies, the domestic and international airlines, and transport association groups will examine the increasing significance of the forwarder's role as we enter the Jet Age of transportation."

Griffin
Announces dinner

BUDD SPEAKS IN MIAMI

John F. Budd, editor and publisher, addressed members of the Freight Forwarders & Custom House Brokers Council of the Miami-Dade County Chamber of Commerce last month. Topic: *The Forwarding Situation Today.*

ACCI ANNOUNCES RATE CUTS

Rate cuts in general commodities in air movement over the Atlantic and Pacific have been announced by Charles L. Gallo, president of Air Cargo Consolidators, Inc. Effective date is January 8.

Gallo
New rates

Gallo said that "Pacific destination general commodity rates are being reduced by as much as $1.03 per pound, or 54.5%, while the general commodity shippers on the North Atlantic will enjoy reductions ranging up to 82¢ per pound and up to 32% from previous rate levels."

The air freight forwarding firm head predicted that "the combination of low rates and the ability to employ chartered aircraft for movement of volume loads particularly to out-of-the-way places on a non-scheduled basis will revolutionize the air cargo industry and should result in doubling or tripling of 1959 ton-miles in 1960."

From The Readers

As usual, your annual issue of *Air Transportation*, which includes a statistical round-up and directory of the industry, is a most valuable document. Congratulations!

Wendell R. Stevens
Cargo Sales Manager-System
Pan American World Airways
Long Island City, N. Y.

* * *

I am sure that my reading your excellent magazine for the past three years, from cover to cover, prompted somewhat my desire to enter the foreign freight forwarding field.

Herbert A. Bornemann
Manager
Caribbean & West Indies Express Co.
New York, N. Y.

* * *

We enjoy reading *Air Transportation*.

A. Viault
Secretary-Treasurer
Remedia, Inc.
New York, N. Y.

* * *

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A. I. Dawson
Traffic Supervisor
Canadian Marconi Co.
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* * *

We find your magazine interesting and informative.

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Traffic Manager
Toronto Carpet Mfg. Co., Ltd.
Toronto, Ont., Canada

* * *

. . . Very helpful magazine.

E. J. Scudder
Traffic Manager
NAFI Corp.
Trenton, N. J.

I find your publication most informative in these rapidly changing times of air transport.

F. J. O'Donohoe
Traffic Manager
Thomas J. Lipton, Ltd.
Toronto, Canada

* * *

As long-time readers of *Air Transportation*, we would like to commend you on your excellent and badly-needed publication, and in particular your fine *Publisher's Letter* on Mr. Quesada's loan guarantee program.

Dan Foley
President
Meteor Aircraft Products, Inc.
Fairmont, W. Va.

CONGRATULATIONS

UNITED STATES AIRLINES

American: G. Marion Sadler appointed to the newly created position of vice president and general manager. Elected vice presidents are: R. L. Fitzpatrick, in charge of sales and services; F. J. Mullins, in charge of field activities; and Melvin A. Brenner, in charge of schedules and equipment utilization . . . Carter L. Burgess elected to the board of directors. Currently president and a director of American Machine and Foundry Co., he has held U. S. Government posts, and immediately before going to AMF was president of TWA . . . Dwight D. Taylor elected a vice president. Assistant to the president of the Carnegie Foundation until 1953, when he joined American, his background includes wide experience in the legal, business and airline fields.

Braniff: John H. Jackson appointed Dallas sales representative . . . Frank Kutscher named a buyer.

Flying Tiger: Frank Lynott, formerly vice president of operations, elected executive vice president of operations . . . Neil Berboth, formerly vice president of maintenance and engineering, becomes vice president of operations . . . Constantin Moldaw, who has served as director of fuel and facility contracts, appointed vice president, reporting to Lynott.

National: L. C. Wisenauer made regional sales manager, headquartered in Miami. Having been in the airline business since 1934, he joined National in 1957 and was formerly director of cargo sales . . . Frank A. Payak, previously city sales manager for Greater Miami, promoted to district sales manager at Miami.

Northwest: Russell E. Kruse appointed director of advertising. For the past six years he has served the carrier as a Minneapolis/St. Paul sales representative.

Panagra: James T. Scholtz, an assistant vice president, has been made an honorary member of the Chilean Air Force for his valuable contribution in the pioneering of aeronautical meteorology in Chile.

FOREIGN AIRLINES

Irish: James O. Leet appointed veteran airline executive. A veteran airline executive, he was most recently with Pan Am as New York sales manager. He takes over from Michael Dargan who, having temporarily filled the post in New York, resumes his position in Dublin as assistant general manager . . . Colm T. McMorrow of Dublin appointed district manager in Boston. He relieves Joseph F. O'Dowd, who takes the new post of religious sales manager and will be headquartered in New York.

Leet
Irish

SAS: Len "Red" Miller named cargo service manager, in which position he will coordinate cargo operation at New York, Los Angeles, Montreal and Anchorage . . . Al Thiesing upped to airport cargo manager at New York International Airport . . . John Loughery replaces Miller as assistant to the interline sales manager for the airline's North American and Northern Latin American division.

Trans-Canada: Arthur G. Suffron elevated to the newly created position of sales manager at Washington, D. C., where he opened a new office on January 1. Having served the air carrier for 12 years, his most recent position was reservations manager in New York.

Varig: Paul Baez appointed assistant to the U. S. general manager . . . Lee Martin heads the newly opened internal publicity offices as publicity manager.

FORWARDERS

Air Express International Corp.: Henry M. Marx, prominent lawyer, elected a member of the board of directors. Well-known in air transportation circles, Marx serves on the board of directors of Canadair, Ltd., and was on the board of Airwork Atlantic, British transatlantic airline, when it was operative. He is also a member of the boards of Magdalena Mining & Investments, Ltd.; Birmingham Corp.; Otmar Real Estate Corp.; Angels, Inc.; Venture Real Estate, Inc.; and Elastic Cloths, Ltd.

Marx
AEIC

Allied Air Freight, Inc.: Americo J. Focacci, most recently manager of system operations for Aaxico Airlines, appointed director of cargo sales for Allied. A well-known figure in the air cargo industry, Focacci, in prior associations, served as district sales manager, Slick Airways; lead agent, American Overseas Airlines; assistant to the president, Air Express International Corp.; and general manager, Bakumer Shipping Corp.

Focacci
Allied

(Concluded on Page 38)

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BOOKS

The Wall still remains John Hersey's personal masterpiece and one of the outstanding novels of this century; but his latest novel, **The War Lover** (Alfred A. Knopf; 404 pages; $5.00), comes close, very close, to that unforgetable book. In his story of a couple of American pilots based in England in World War II, Hersey digs into the very guts of his Maj. Buzz Marrow, laying him pulsingly bare and repulsive. The tale of bombing and death and insane glory of war, and of Buzz the man beside him in the *Flying Fortress*, is told by young Lieut. Charles Bowman whose tremendous admiration for his superior officer gradually turns to hatred. Bowman adds substance to Hersey's searing story. The reviewer has read scores of novels of World War II, a few of them excellent. *The War Lover* tops the entire list. It will be hard to match, let alone beat. Put *The War Lover* on your *must* list.

Sir James Barrie wrote a story about a boy who never grew up and he called it Peter Pan. Otis Carney has written a story about a young man who wouldn't grow up and has called it **Yesterday's Hero** (Houghton Mifflin Company; 312 pages; $3.95). Rip Mackin, a handsome and boyish wartime flyer, finds it almost impossible to face the drab reality of bread-winning after the war. He goes after one bonanza after another, and in the meantime is really happy only in his private plane. When his marriage is all but on the rocks, his pursuit of yet another get-rich-quick scheme brings him down in Baja California in an air crash; the ordeal, endless and at times apparently hopeless, of getting himself and an unwanted female companion out of the hell of desert heat and starvation forms the second part of the book, and provides its answer. Good, fast, exciting writing.

Walter J. Sheldon's third novel, **Tour of Duty** (J. B. Lippincott Co.; 223 pages; $3.95), is his best to date. It deals with human relations between an American at an air base in Japan and the natives living on its fringes, and with the inevitable conflict of two vastly different cultures now face to face under the new tensions of the postwar world. Paul Randock, a so-called Adviser for Community Affairs, tries hard to establish a bridgehead in the natural hostility of the local Japanese to the Americans. Reminiscent of *The Ugly American*, he finds frustration in the rigidity of the air base brass. Through his Japanese and American characters, some of them extremely well drawn, the author seeks a humanistic solution to the difficult problem. ("Someday, somewhere, somebody would make a dent.") A good story in an authentic setting. Worthwhile reading.

The Crackerjack Marines (Little, Brown & Co.; 275 pages; $3.75), by Ben Masselink, is a novel about one Marine in particular, George Toliver. It's war-time, but Toliver has been assigned to Chicago as a recruiting sergeant. With two pals, Toliver cuts a wide swath through the Windy City during which time, more often than not, the trio are involved with a rakish assortment from the distaff side. There's lots of humor here, but not without a sub-surface current of war's tragedy. Like a true ex-Marine, Masselink winds up his extremely readable yarn on a from-the-Halls-of-Montezuma note—literally.

Two aircraft, on a mission of mercy, take off from an ARS base in Japan. One of the planes plunges into the sea; all aboard it are lost. That is all the control tower at the base learns. Unknown is the identity of the surviving aircraft and crew. On this, Elliott Arnold builds a tense story which keeps his latest book, **Flight From Ashiya** (Alfred A. Knopf; 273 pages; $3.95) thrumming with excitement. He has peopled his novel with a number of interesting characters, especially women, whose separate personal problems heighten as further news of the aircraft is awaited during an interminable afternoon. Arnold has a deep feeling for human beings; and though *Flight From Ashiya* is not his best effort to date, his humanistic philosophy is evident throughout.

Maurice Edelman is quite a gentleman. Journalist, playwright, and novelist, he has served as a Member of Parliament for the past 15 years or so. His newest novel, **A Call on Kuprin** (J. B. Lippincott Co.; 256 pages; $3.95), is a humdinger of a suspense story—tautly written and, above all, literate. The author has projected his story a few years into the future, with Soviet Russia as the scene, and a Russian scientific genius as the object of two Britons' attempt to induce him to defect. The characters Edelman has the reader meet, English and Russian, are superb; his impressions of scenes and events are vivid and memorable. They are as gripping as the tale itself, and are likely to make you an Edelman fan as this reviewer has become.

Matt Tomlinson controls the economy, and through it the lives, of all those who make Kingstree Island, off the North Carolina coast, their home. He is jealous of that power, and for that reason he fears the coming of young Brandon Rhodes in whom he sees a big threat to his kingship. This is the heart of a well-told story by John Ehle in his novel, **Kingstree Island** (William Morrow & Co.; 281 pages; $3.75). Rhodes does not scare easily; he means to stay. Nor is Tomlinson faint of heart. Their struggle rises by stages to a roaring pitch, and out of a shattering climax is born a new era for the islanders. Exciting reading throughout.

There is plenty of evidence of the well-known Peter Ustinov wit in the collection of his short stories, the third of which has contributed the book's title, **Add a Dash of Pity** (Little, Brown & Co.; 245 pages; $3.75). We have admired him as an actor, and found favor with his plays; but, we have to report with some sadness, if we were to rank his talents as performer, playwright, and short story writer, we'd place them in that order—at least, today. Tomorrow the order may see a reshuffling. Do not get the idea that *Add a Dash of Pity* will not be read without enjoyment. If the tales lack cleanness in construction, they carry with them a quantity of engaging characters who move against kaleidoscopic backgrounds. They are warm stories, often off-beat and sparkling, like Ustinov the man. Whether he is writing about American, Englishmen, Spaniards, Hungarians, or Russians, you'll sense a shrewd and probing eye.

C. T. Ritchie follows unswerving format in his historical novel, **Black Angels** (Abelard-Schuman; 256 pages; $3.50). Laid in the latter part of the 17th Century, the author brings his Wilhelmina and her betrothed, Gilbert of Axford, through a gamut of indignities and adventures, from England to the New World. Murder, betrayal, imprisonment, shipwreck, even Indian abduction—they're all in the well-grooved plot before the final clinch can come about, but not before the villainous Vetch gets what's coming to him. A tight story colorfully written.

The Gobbling Billy (E. P. Dutton & Co., Inc.; 190 pages; $3.00) is a delicious little novel about some of the nicest whacky people you've met in many a day. Shimmering with Irish humor, Dynely James tells about the Diarty family and what the Gobbling Billy—an ancient Gobelin-Billet auto—did to and for it. Matters become more and more complicated as the spoof continues, and it takes an antique auto race to set things right. Great fun and warm to the core.

H. E. Bates has turned once more to the Larkin family in a new romp called, **A Breath of French Air** (Atlantic-Little, Brown & Co.; 209 pages; $3.75). In this farce, the author transports the Larkins from their home in England to the dilapidated Hotel Beau Rivage on the coast of Brittany. What the Larkins do in and to that hotel during one summer month is guaranteed to keep you giggling and guffawing from page to page. Let's face it: the Larkins are an irresistibly funny pack, especially when you find them in a habitat with a strange language and even stranger customs.

George Morrill, who served on a merchant ship in World War II, has made worthy use of his knowledge of merchantmen and the sea in his novel, **Dark Sea Running** (McGraw-Hill Book Co.; 211 pages; $3.95). Effectively switching from the point of view of one character to that of another—a tricky device, but Morrill comes off well with it—he has constructed a strong, suspenseful story around the deeds of Capt. Clyde Falk and a patched tanker, the *Auburn Ridge*. The tanker and her idolized skipper are sailing toward inevitable tragedy, and it is in the Pacific where the *Auburn Ridge* meets her final fate. From that point horror descends on the crew, attended by an awful moment of truth which has its divers effects on the crewmen and on the image of the beloved skipper. This is Morrill's first novel. We should be hearing more from him.

To the Islands (Little, Brown & Co.; 204 pages; $3.50), by Randolph Stow, is excellent. Stow has set his beautifully written novel in North Australia, at a mission station for aborigines. It is about the superintendent Heriot, age 67, on the threshold of retirement, baffled by the elusive truth of his own feelings towards his charges, and theirs towards him. Within himself he discovers new emotions which rack him. Eventually we find him headed towards the islands of the title—islands, according to native legend, populated by the dead. The events of this moving tale foreshadow Heriot's parting words: "My soul is a strange country."

James Morris, who wrote *Sultan in Oman*—a classic of its kind—has written his third book on the Middle East, **The Hashemite Kings** (Pantheon Books, Inc.; 208 pages; $4.50). This is a vividly written story of "the Hashemite monarchies and their fated alliances with Great Britain"; a concise history for the lay reader, which leans on the "conversations of men who lived through these events, and the books that others have already written about them," and Morris' own first-hand knowledge. A deeply interesting, often brilliant, work. It is Morris the writer, rather than Morris the historian, who brings distinction to *The Hashemite Kings*.

"The greatest pitched battle ever fought by the United States, its only major struggle in the dead of winter" —this is what John Toland stirringly recounts in **Battle: The Story of the Bulge** (Random House; 400 pages; $4.95). It was Hitler's final mad gamble, a slashing attack in the Ardennes, catching the Allies flatfooted. Six American divisions fought in this so-called "rest area," half of them exhausted, the other half unseasoned. And they were hit hard. The Battle of the Bulge is brilliant history now, settled by the GI who "wanted only to win and go home." Toland has given us a first-rate, blood-tingling account which betrays a prodigious amount of research—he interviewed more than a thousand people in 10 countries—as well as a personal devotion to all those who were there in December 1944-January 1945.

There was another harrowing winter—the winter of 1777-78—and Donald Barr Chidsey has written an enthusiastic "on-the-scene" account in his **Valley Forge** (Crown Publishers, Inc.; 190 pages; $3.00). Chidsey, who moves smoothly between novels and biography and history, has lifted the most critical period of the American Revolution to sharp, bitter relief. He has sprinkled the often told story of the ragged continentals with a liberal supply of anecdotes and descriptive data which give this chapter of history uncommon excitement. Chidsey has the rare knack of keeping his "story line" from drowning in researched material. Result: the reader's interest never flags. Read *Valley Forge*.

Lynn Montross' **The United States Marines: A Pictorial History** (Rinehart & Co., Inc.; 242 pages; $10.00) is a wholly absorbing history of the Leathernecks in picture and text. The book contains 434 illustrations, a well-rounded collection which bring the "soldiers of the sea" from 1775 to date. It has a handsome tribute to the "jacks of all trades, militarily speaking, and masters of a good many." This volume will attract not just a single reading; it is meant for reading and re-reading, and for a spot in a permanent library. Marine or no, you'll like this pictorial biography of the Corps.


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1 Here's a popular annual giveaway to *Air Transportation's* readers — Hinde & Dauch's Executive Appointment Calendar, this one for the year 1960. This 17" x 11" calendar is assigned for workbook, file or desk, and is useful in planning your schedule far in advance.

2 Palmer-Shile's new folder outlines the advantages of trucks engineered and manufactured for specific plant and warehouse materials handling problems. Four pages. Illustrated.

3 *Space*, a well-illustrated 14-page magazine produced by Hyster, devoted to the subject of materials handling. Includes interesting and valuable case histories.

80 Reprint of the article, *TWA's Giant Step*, which points up Trans World Airlines' all-out campaign to win a larger slice of the domestic and international air cargo market with its new fleet of 1049H airfreighters.

81 New six-page folder which describes and illustrates in detail the full line of Baker industrial trucks.

82 Should you lease or buy an industrial truck? A new 24-page booklet published by Elwell-Parker outlines a number of lease plans offered by the company. Includes a series of tables which permit a prospective lease-holder to calculate comparative costs of lease and purchase.

83 Eight-page directory listing the air carriers providing cargo services to and from Puerto Rico, as well as frequencies and rates.

84 Handy folder which describes the freight forwarding services of Barnett International Airfreight Corp. Includes rates from the New York gateway to 123 key cities throughout the world.

85 Going on a business trip abroad? You may want to read *Very Important Pointers*, a new 25-page guide published by Air France. Gives helpful hints; simplified passport and visa information; climate charts; departure check lists; etc.

86 A case history bulletin published by Lewis-Shepard Products, Inc., tells how a major paper merchant saves $70,000 in floor space at one warehouse through unique plant layout and proper integration of materials handling equipment.

87 Two-page bulletin which provides details on three types of reusable shipping containers which have been developed to meet the requirements established by the Air Transport Association.

88 New eight-page booklet, *MHA-200 Standard Specifications for Hand Chain Hoists.* Contains tables and recommended minimum standards on differential, worm-geared, and spur-geared (or equivalent) types of hand chain hoists, hook or lug suspensions and plain or geared trolley.

89 Six-page folder produced by Elwell-Parker features the firm's R-10T series of heavy-duty 6,000- to 10,000-pound capacity industrial trucks. Includes specifications.

90 How smart planning and a single narrow-aisle truck resulted in considerable additional storage capacity is described in another new Lewis-Shepard case history bulletin.

91 Newly issued folder which details current foreign bank note rates for all countries, and foreign money regulations.

92 Rapistan's new conveyor product, the Flow Control Register, is described in an illustrated four-page folder.

93 How to achieve fast, low-cost handling of 10,000- to 12,000-pound loads is told in a new eight-page brochure describing Hyster's new Challenger 100-120 series lift trucks.

94 A materials handling booklet describes in detail the "outstanding engineering developments and unusual construction and operating features" related to Gerlinger Carrier's line of heavy-duty fork lift trucks. Capacities range from 8,000 to 40,000 pounds.

Please Read This

Items are offered in *Come 'n' Get It* for three consecutive months. Added this month are items Nos. 1 to 3.

Items generally remain available for approximately three months after the last time of publication, but may be withdrawn earlier.

FORWARDER RULES

(Continued from Page 12)

requirements, there has been no uniformity among the indirect air carriers in the preparation of their airwaybills and manifests. The lack of uniformity in this regard tends to confuse and mislead the shipping public and unduly hampers the Board in effectively carrying out its investigative functions. While all forwarders use some form of airwaybill, some fail to set forth therein an adequate itemization of charges imposed or a description of the commodities being shipped, making it impossible to determine whether the correct commodity rate has been applied without actually opening the package and examining the contents. In order to rectify this situation, provisions are included in this regulation which specify when an airwaybill and manifest must be prepared and the information required to be set forth in such documentation.

"If an international air freight forwarder, also holding operating authority under Part 296 of the Economic Regulations, prepares a consolidation which includes both foreign and domestic shipments, the forwarder is required . . . to clearly indicate in its manifest that shipments destined for a foreign point are included in the consolidation. . . . Since a direct air carrier engaged in interstate air transportation could possibly be subject to the rules of liability of the Warsaw Convention under such circumstances, it is considered reasonable to require the existence of foreign destined shipments to be made known to the direct air carrier concerned."

Next month's issue of *Air Transportation* will carry the full official text of Part 297—Classification and Exemption of International Air Freight Forwarders.

COMMERCIAL AIRCRAFT

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Aeronaves de Mexico. An airline spokesman said that the purchase marked "a new step in the airline's gradual transition to an all-pure jet international carrier."

RIDDLE LEASES C-46s

Riddle Airlines, all-cargo carrier, has leased three of its surplus C-46 airfreighters to Aaxico Airlines and Southern Air Transport. Aaxico received two aircraft.

PISTON-ENGINE TRANSPORTS

It is reported that more than 1,600 DC-3s, over 350 DC-4s, and nearly 400 C-46s are still in service throughout the world. Newer-type piston-engine aircraft currently in airline service include 329 Convair 340s and 440s, 344 DC-6 series, 330 DC-7 series, and more than 450 *Constellation* types—these figures from the British publication, *Flight.*

NEW ARGOSY VERSION

Armstrong Whitworth, British aircraft manufacturer, is reported to be developing a third version of its *Argosy*. Called the AW-670, it will be wider than the freighter, unpressurized, and designed for car-passenger ferry services. It will accommodate six large cars, or between eight and 12 smaller cars, plus 30 passengers.

UAL JETORAMA SUCCESSFUL

R. L. Mangold, who managed United Air Lines' Jetorama exhibit in five cities, reported that nearly 384,000 persons visited the three-tent shows which highlighted the carrier's planning and services for the DC-8 jet. Biggest single day's attendance was at New York International Airport where 52,500 persons showed up. Total at that city was 127,870. The show will continue at other cities this year.

CONGRATULATIONS

(Continued from Page 35)

INDUSTRIAL TRAFFIC

Allen B. Wrisley Co.: Marvin Strauch named manager of traffic, receiving, shipping and warehousing.

Quaker Oats Co.: D. N. Reed named traffic manager at Marion, Ohio.